



# Florida Department of TRANSPORTATION

## Office of Inspector General Kristofer B. Sullivan, Inspector General

OIG Risk Assessment and Work Plan, Fiscal Year 2023-24

July 7, 2023

### Executive Summary

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We are pleased to present the Florida Department of Transportation (Department) Office of Inspector General’s (OIG) Annual Risk Assessment and Work Plan results for fiscal year (FY) 2023-24.

Our Work Plan is risk-based to provide broad coverage of Department programs, systems, and controls. The OIG’s risk analysis is based on input from the Secretary, Assistant Secretaries, District Secretaries, Chief of Staff, and Functional Managers.

The activities outlined in our Work Plan address the Department’s major operations and optimize the use of our resources. We retain approximately 20 percent of our hours for Department projects that may be requested during the year. We also allocated a small percentage of our audit resources for projects that may be requested by the Governor’s Chief Inspector General (CIG) for projects with enterprise-wide focus.

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Jared W. Perdue, Secretary

Date: 07/10/2023 | 11:04 AM EDT

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## **RISK ASSESSMENT PROCESS**

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Subsection 20.055(6)(i), Florida Statutes, (2022), and professional audit standards, require the OIG to develop risk-based, long-term, and annual audit plans, which consider resources and input from senior management. The methodology used for our risk assessment process is detailed below.

### **Define the audit universe**

We identified the following 31 auditable areas:

- |                                       |                                      |
|---------------------------------------|--------------------------------------|
| 1. Construction                       | 17. Comptroller                      |
| 2. Design                             | 18. Work Program and Budget          |
| 3. Emergency Management               | 19. Modal Development Office         |
| 4. Maintenance                        | 20. Transit                          |
| 5. Materials                          | 21. Aviation and Spaceports          |
| 6. Program Management                 | 22. Seaport and Waterways            |
| 7. Right of Way                       | 23. Policy Planning                  |
| 8. Traffic Engineering and Operations | 24. Systems Implementation           |
| 9. Safety                             | 25. Forecasting and Trends           |
| 10. Environmental Management          | 26. Research Center                  |
| 11. Administration (Trans. Support)   | 27. Civil Integrated Management      |
| 12. Equal Opportunity                 | 28. Information Security Management  |
| 13. Human Resources                   | 29. Information Technology           |
| 14. Organizational Development        | 30. Organizational Change Management |
| 15. Support Services                  | 31. Process and Quality Improvement  |
| 16. Procurement                       |                                      |

### **Identify major risks**

We surveyed Department management, including Assistant Secretaries, Functional Managers, and OIG staff. They identified major risks, potential audit topics, and any concerns they had regarding fraud, waste, abuse, or potential wrongdoing in the Department.

### **Translate risks into measurable risk factors**

We discussed the impact, likelihood, and risk type of each topic submitted. The following risk factors were also considered to assist in prioritizing topics: changes in leadership; new governing processes; and new information technology systems.

### **Present topics to the Secretary**

The topics were presented to the Secretary for final review and feedback.

**Develop an Annual Work Plan based on the final risk ranking (pages 5-7).**

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**FISCAL YEAR 2023-24 WORK PLAN**

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The OIG's Annual Work Plan provides broad audit coverage and focuses OIG resources on areas with the greatest known risks. We dedicate resources to auditing Department processes, contractor and consultant contracts, intermodal grant programs, and examining federal reimbursement rates.

The OIG has 26 audit positions and can expend 33,154 hours as follows:

|   |               |
|---|---------------|
| <b>Total FY 2023-24 Potential Hours Available</b>             | <b>33,154</b> |
| Carry-forward hours to complete FY 2022-23 projects           | 4,302         |
| Reserve 400 hours for CIG requests                            | 400           |
| Reserve 20 percent of remaining hours for management requests | 5,771         |
| Recurring projects (Performance Measures, Rates, etc.)        | 4,950         |
| New topics identified through the risk assessment process     | 17,731        |
| <b>Total FY 2023-24 Hours Programmed</b>                      | <b>33,154</b> |

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Our FY 2023-24 Work Plan includes 65 topics, listed below.<sup>1</sup> The long-term topics, required to be identified by statute, are on page 8.<sup>2</sup>

| <b>Finance and Administration</b> |   |                     |  |
|-----------------------------------|---|---------------------|--|
| <b>Function</b>                   | <b>Topic</b>  | <b>Project Type</b> |  |
| Human Resources                   | FLSA Overtime Determination Review  | New                 |  |
|                                   | Veteran's Preference for Hiring   | New                 |  |
| Financial Management              | Department FY 2023-24 Indirect Rate Review  | Recurring           |  |
| Support Services                  | Mailroom Security   | New                 |  |
| Office of Comptroller             | Surplus Inventory   | New                 |  |
| Procurement                       | House Bill 1079 Project Audit   | Carry Forward       |  |
|                                   | Limited CPA work paper review of Applied Foundation Testing, LLC's statement of Direct Labor, Fringe Benefits, and General Overhead report FY2023 | New                 |  |
|                                   | Limited CPA work paper review of Radise International, LLC's statement of Direct Labor, Fringe Benefits, and General Overhead report FY2023       | New                 |  |
|                                   | <b>CPA Work Paper and Cognizant Reviews</b>   |                     |  |
|                                   | Carr, Riggs & Ingram, LLC., (GAI) Cognizant Review CY 2022  | Carry Forward       |  |
|                                   | CliftonLarsonAllen (TLP Engineering Services, Inc.) Cognizant Review CY 2022  | Carry Forward       |  |
|                                   | Baker Tilly US, LLP (Atkins) Cognizant Review CY 2021   | Carry Forward       |  |
|                                   | AE Engineering, Inc. – Labor Billing  | Carry Forward       |  |
|                                   | Carr, Riggs & Ingram, LLC., (GAI) Cognizant Review CY 2023  | Recurring           |  |
|                                   | D.L. Purvine, CPA, PLLC (WGI) Cognizant Review CY 2023  | Recurring           |  |
|                                   | CliftonLarsonAllen (TLP Engineering Services, Inc.) Cognizant Review CY 2023  | Recurring           |  |
|                                   | Baker Tilly US, LLP (Atkins) Cognizant Review CY 2022   | Recurring           |  |
|                                   | Aldrich CPAs + Advisors LLP (CONSOR Engineers LLC) Cognizant Review CY 2023   | Recurring           |  |
| Project Finance                   | Department Section 129(9)(a) Financial Review FY 2022-23 (Buses)  | Carry Forward       |  |
|                                   | Department Section 129(a)(3)(A) Financial Review FY 2022-23 (Toll Credits)  | Carry Forward       |  |
|                                   | Department Value Pricing Pilot Program Review FY 2022-23  | Carry Forward       |  |
|                                   | Department Value Pricing Pilot Program Review FY 2023-24  | Recurring           |  |
|                                   | TPE Department Value Pricing Pilot Program Review FY 2023-24  | Recurring           |  |
|                                   | Department Section 129(9)(a) Financial Review FY 2023-24 (Buses)  | Recurring           |  |
|                                   | Department Section 129(a)(3)(A) Financial Review FY 2023-24 (Toll Credits)  | Recurring           |  |
| Turnpike Enterprise               | TPE Section 129(a)(3)(A) Financial Review FY 2023-24 (Toll Credits)   | Recurring           |  |

<sup>1</sup> Although captured in the total programmed hours, some non-audit projects (e.g., computer forensics) and confidential (e.g., whistle-blower related) projects are not listed in these tables. Additionally, some project names have been combined for ease of reporting (e.g., CPA working paper reviews and corresponding cognizant letter).

<sup>2</sup> Although a long-term audit plan is required by statute, the risk assessment process is conducted annually; therefore, the topics listed may not be included in future audit plans.

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| <b>Engineering and Operations</b>  |  |                     |
|------------------------------------|--|---------------------|
| <b>Function</b>                    | <b>Topic</b>   | <b>Project Type</b> |
| Construction                       | Duplicate Payments to Construction Engineering & Inspection Firms      | Carry Forward       |
|                                    | Audit of Direct Labor Cost Credits                                     | Carry Forward       |
|                                    | Audit of Direct Labor Cost Credits (Transfers) – Nv5, Inc.             | Carry Forward       |
|                                    | Audit of Direct Labor Cost Credits (Transfers) – Gannett Fleming, Inc. | Carry Forward       |
|                                    | Construction Contract Audit – Project 1                                | New                 |
|                                    | Construction Contract Audit – Project 2                                | New                 |
| Traffic Engineering and Operations | Cell Tower Contract Review   | Carry Forward       |
|                                    | Roadside unit/devices cybersecurity                                    | New                 |
| Maintenance                        | Moveable Bridge Operations Audit                                       | Carry Forward       |
|                                    | Rest Area Construction Review  | New                 |
| Program Management                 | Utility Office Rates Procedures  | Carry Forward       |
|                                    | Gadsden County LAP Audit   | Carry Forward       |
|                                    | LAP Grant  | New                 |
|                                    | State Funded Grants  | New                 |
|                                    | Utility Projects   | New                 |
| Right of Way                       | ROW Office Master Lease Financial Review                               | New                 |

| <b>Strategic Development</b> |  |                     |
|------------------------------|--|---------------------|
| <b>Function</b>              | <b>Topic</b>   | <b>Project Type</b> |
| Freight & Multimodal Office  | CSXT 2022 Indirect Rate Review                                   | Carry Forward       |
|                              | Florida East Coast Railway 2022 Indirect Rates Review            | Recurring           |
| Seaport                      | Port Fernandina Audit  | Carry Forward       |
|                              | ARPA Port Funds  | New                 |
| Policy Planning              | River to Sea TPO   | Carry Forward       |
|                              | Collier MPO  | Carry Forward       |
|                              | Performance Measures FY 2021-22 Audit                            | Carry Forward       |
|                              | Performance Measures FY 2022-23 Audit                            | Recurring           |
|                              | TPO Process Review   | New                 |
|                              | Metropolitan Planning Organizations Block of Hours – Project 1   | New                 |
|                              | Metropolitan Planning Organizations Block of Hours – Project 2   | New                 |
| Transit                      | Miami-Dade Department of Transportation and Public Works Funding | Carry Forward       |
|                              | Pasco County Public Transportation (GoPasco) Transit             | Carry Forward       |
|                              | Palm Beach Transportation Planning Agency                        | Carry Forward       |
|                              | Transit Audit Block of Hours – Project 1                         | New                 |
|                              | Transit Audit Block of Hours – Project 2                         | New                 |
|                              | Transit Organization Review                                      | New                 |
| Spaceports                   | Spaceports Funding   | New                 |

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| <b>Transportation Technology</b> |  |                     |
|----------------------------------|--|---------------------|
| <b>Function</b>                  | <b>Topic</b>   | <b>Project Type</b> |
| Information Technology           | Identity & Access Management Enterprise Cybersecurity Audit  | Carry Forward       |
|                                  | Device Sanitization Audit  | Carry Forward       |
|                                  | Review of Adherence to State Prohibited Applications on Government Issued Devices                                | New                 |
|                                  | Review of Disaster Recovery Planning and Testing   | New                 |
|                                  | Review of Third-party Risk Management (to include data sharing, access, secure storage, and secure transmission) | New                 |

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**LONG-TERM WORK PLAN**

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These long-term auditable topics were identified for the FY 2023-24 Work Plan:

- IJJA: New Federal Programs and Discretionary Grant Funding;
- AASHTOWare PrC;
- Supplemental Agreements;
- Department Fuel Cards;
- Airport Infrastructure; and
- Cloud Backup and Recovery.



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**PROJECT TEAM**

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Approved by:  
Kristofer B. Sullivan, Inspector General

**STATEMENT OF ACCORDANCE**

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The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General* and conforms with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Please address inquiries regarding this product to the Department's Office of Inspector General at (850) 410-5800.