



# Florida Department of TRANSPORTATION

Office of Inspector General  
Robert E. Clift, Inspector General

Advisory Report No. 16P-3001  
Performance Measures FY 14/15

April 25, 2017

## What We Did

The Office of Inspector General (OIG) conducted an assessment of performance measures pursuant to Section 20.055(2)(b), Florida Statutes (F.S.). We assessed the validity and reliability of two performance measures reported in the 2016/2017 Department of Transportation's (department) Long Range Program Plan (LRPP) for the 2014/2015 Fiscal Year (FY). We also assessed the validity and reliability of the supporting data for five performance measures reported in the 2014/2015 FY Performance and Production Review of the Florida Department of Transportation by the Florida Transportation Commission (FTC).

## What We Found

The two LRPP performance measures assessed were:

Responsible Office	LRPP Performance Measure Reviewed	Valid	Reliable
Central Office Right of Way (ROW)	1. Number of ROW projects certified ready for construction (Turnpike not included). <sup>1</sup>	Yes	Yes
	2. Number of ROW parcels acquired (Turnpike not included). <sup>2</sup>	Yes	Yes

We determined the ROW performance measures and supporting data were valid and reliable; however, we identified opportunities for improvement within the LRPP Desk Procedures and Exhibit IV of the performance measure titled: "number of ROW projects certified ready for construction."

<sup>1</sup> As titled in LRPP documents.

<sup>2</sup> As titled in LRPP documents.

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Florida Department of Transportation**

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The pieces of data for FTC performance measures assessed were:

Responsible Office	FTC Performance Measure Data Reviewed	Valid	Reliable
Central Office Right of Way (ROW)	1. The number of projects certified compared to the number of projects scheduled for certification.	Yes	Yes
	2. The number of parcels acquired through negotiation compared with the number acquired through condemnation.	Yes	Yes
	3. Percent of parcels negotiated within 20 percent of the Department's initial offer.	Yes	Yes
	4. Of the condemned parcels acquired, the percentage of final judgements that were equal to or less than one half of the range of contention between the Department and the landowner.	Yes	Yes
Central Office Right of Way (ROW) and Office of Comptroller (OOC)	5. The percent of total ROW expenditures spent on purchasing land.	Yes	Yes

We determined the supporting data for the five FTC performance measures was valid and reliable. However, we identified opportunities for improvement within ROW and OOC's retrieval and reporting process.

### **What We Recommend**

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We do not have any recommendations. ROW should continue their efforts to ensure valid and reliable data is provided for these performance measures.

We did identify three opportunities for improvement by the ROW Office:

1. Update the LRPP Exhibit IV Performance Measure "number of ROW projects certified ready for construction" to state the Right of Way Management System (RWMS) is used to store and obtain the data as in the other LRPP measure.
2. Add a step to the ROW LRPP desk procedure to verify the data before it is sent to the Office of Policy Planning.

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3. Create a desk procedure to explain the process in retrieving, verifying, and reporting the data to FTC for the performance measure: “the percent of total ROW expenditures spent on purchasing land.”

We identified one opportunity for improvement by the OOC:

1. Create a desk procedure to explain the process for retrieving, verifying, and reporting the data to ROW for the performance measure: “the percent of total ROW expenditures spent on purchasing land.”

**Office of Inspector General  
Florida Department of Transportation**

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**TABLE OF CONTENTS**

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<b>BACKGROUND AND INTRODUCTION</b>	<b>5</b>
<b>RESULTS OF REVIEW</b>	<b>6</b>
<b>APPENDIX A – Purpose, Scope, and Methodology</b>	<b>9</b>
<b>APPENDIX B – Management Response</b>	<b>10</b>
<b>DISTRIBUTION</b>	<b>11</b>
<b>PROJECT TEAM</b>	<b>12</b>
<b>STATEMENT OF ACCORDANCE</b>	<b>12</b>

## BACKGROUND AND INTRODUCTION

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The Government Accountability and Performance Act of 1994 requires state agencies to implement performance-based program budgeting, which includes establishing legislatively-approved performance measures and standards. Additionally, Section 216.013, F.S., requires state agencies to develop a LRPP that is policy-based, priority driven, accountable, and developed through careful examination and justification of all agency programs. The statute requires the submission of the LRPP, including prior year performance data, no later than September 30 of each year.

Section 20.055(2)(b), F.S., requires the OIG to assess the validity and reliability of the performance measures information reported by the department and make recommendations for improvement. To comply with these requirements, we reviewed two legislatively-approved 2014/2015 FY performance measures reported in the department's 2016/2017 LRPP.

For this assessment, we used the following definitions from the 2016/2017 LRPP:

**Validity** - The appropriateness of the measuring instrument in relation to the purpose for which it is being used.

**Reliability** - The extent to which the measuring procedure yields the same results on repeated trials and data are complete and sufficiently error free for the intended use.

As part of our assessment, we reviewed each responsible office's performance measure procedures and the department's LRPP to identify the intended purpose for each measure under review. We also reviewed prior reports to determine when each measure was last assessed and the results of that assessment to conclude which performance measures will be reviewed for the current assessment.

The two LRPP performance measures were last assessed in 2005. In the 2005 OIG Advisory Memorandum 05P-0009, the two measures were determined to be valid and reliable with no recommendations for improvements.

During our annual risk assessment, FTC management requested that we perform a review of the supporting data provided to FTC for the five performance measures in the FTC Annual Report for ROW. The OIG has never conducted an assessment of this supporting data for validity and reliability, as it is separate from the LRPP supporting data that was reviewed in 2005.

## RESULTS OF REVIEW

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### LRPP Performance Measures

Responsible Office	LRPP Performance Measure Reviewed	Valid	Reliable
Central Office Right of Way (ROW)	1. Number of ROW projects certified ready for construction (Turnpike not included).	Yes	Yes
	2. Number of ROW parcels acquired (Turnpike not included).	Yes	Yes

ROW has multiple stages in which the LRPP performance measure data is verified to ensure its validity and reliability. The data retrieved is compared with prior reports and is verified with ROW district management to identify any discrepancies. The data is reconciled monthly throughout the year and has appropriate controls in place to ensure the data is reported accurately to the Office of Policy Planning.

We do not have any recommendations.

### **Opportunities for Improvement**

While we determined the performance measure is valid and reliable, we identified opportunities by the ROW Office to improve its performance measure:

- Update LRPP Exhibit IV Performance Measure “number of ROW projects certified ready for construction” to state the RWMS system is used to store and obtain the data as in the other LRPP measure.
- Add a step to the ROW LRPP desk procedures to verify the data before it is sent to the Office of Policy Planning.

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Florida Department of Transportation**

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**FTC Performance Measures**

<b>Responsible Office</b>	<b>FTC Performance Measure Data Reviewed</b>	<b>Valid</b>	<b>Reliable</b>
Central Office Right of Way (ROW)	1. The number of projects certified compared to the number of projects scheduled for certification.	Yes	Yes
	2. The number of parcels acquired through negotiation compared with the number acquired through condemnation.	Yes	Yes
	3. Percent of parcels negotiated within 20 percent of the Department's initial offer.	Yes	Yes
	4. Of the condemned parcels acquired, the percentage of final judgements that were equal to or less than one half of the range of contention between the Department and the landowner.	Yes	Yes
Central Office Right of Way (ROW) and Office of Comptroller (OOC)	5. The percent of total ROW expenditures spent on purchasing land.	Yes	Yes

ROW has multiple stages in which the FTC performance measure data is verified to ensure its validity and reliability. The data retrieved is compared with prior reports and is verified with ROW district management to identify any discrepancies. The data is reconciled monthly throughout the year and appropriate controls are in place to ensure the data is reported accurately either monthly or quarterly.

We do not have any recommendations.

**Opportunities for Improvement**

While we determined the data for the performance measure is valid and reliable, we identified one opportunity by the ROW Office to improve process controls:

- Create desk procedures to explain the process for retrieving, verifying, and reporting the data to FTC for the performance measure: "the percent of total ROW expenditures spent on purchasing land."

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Florida Department of Transportation**

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While we determined the data for the performance measure is valid and reliable, we identified one opportunity by the OOC to improve process controls:

- Create desk procedures to explain the process for retrieving, verifying, and reporting the data to ROW for the performance measure: “the percent of total ROW expenditures spent on purchasing land.”



## **APPENDIX A – Purpose, Scope, and Methodology**

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The **purpose** of this engagement was to meet the statutory requirement in Section 20.055, F.S., to assess the validity and reliability of legislatively-approved performance measures and make recommendations for improvements.

The **scope** of the assessment included all information and documentation related to the following two performance measures reported in the department's 2015/2016 LRPP for the 2014/2015 FY and the data for the following five FTC performance measures for 2014/2015 FY:

### LRPP

1. Number of ROW projects certified ready for construction (Turnpike not included).
2. Number of ROW parcels acquired (Turnpike not included).

### FTC

1. The number of projects certified compared to the number of projects scheduled for certification.
2. The number of parcels acquired through negotiation compared with the number acquired through condemnation.
3. Percent of parcels negotiated within 20 percent of the Department's initial offer.
4. Of the condemned parcels acquired, the percentage of final judgements that were equal to or less than one half of the range of contention between the Department and the landowner.
5. The percent of total ROW expenditures spent on purchasing land.

The **methodology** included:

- reviewing applicable statutes, rules and procedures;
- reviewing prior advisory reports and working papers;
- interviewing appropriate department management and staff regarding the performance measure processes; and
- reviewing data sources, data collection, measure definitions, and methodologies.

**APPENDIX B – Management Response**

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On April 18, 2017, Jim Spalla, Office of Right of Way Director, responded and on April 19, 2017, Lisa Evans, Deputy Comptroller, responded confirming the Preliminary and Tentative Report has been reviewed and there are no further comments. Both offices have taken steps toward implementing the opportunities for improvement listed in the report.

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**PROJECT TEAM**

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Engagement was conducted by:  
Shannel Gordon, Auditor

Under the supervision of:  
Amy Furney, Senior Audit Supervisor  
Joseph Gilboy, Audit Manager  
Kristofer B. Sullivan, Director of Audit

Approved by:  
Robert E. Clift, 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 promote integrity, accountability, and process improvement in the Department of Transportation by providing objective, fact-based assessments to the DOT team.

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 report to the department's Office of Inspector General at (850) 410-5800.