



Florida Department of TRANSPORTATION

Office of Inspector General
Kristofer B. Sullivan, Inspector General

Audit Report No. 19I-9004
Uniform Grant Guidance Compliance

DocuSigned by:
Kristofer B. Sullivan
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October 14, 2020

What We Did

The Office of Inspector General conducted a review of the Department of Transportation's (Department) compliance with the Uniform Grant Guidance (UGG) regarding the management of federal grant awards. Our primary objective was to determine whether the Department has adequate governance (internal controls) to fully comply with the UGG requirements.

What We Observed

We observed the Department should continue to strengthen its overall governance structure and internal controls, as required under the Uniform Grant Guidance. Specifically, the Department should increase mechanisms which further provide reasonable assurance the Department and its subrecipients are in full compliance with federal grant regulations.

We identified four opportunities for improvement to reduce overall risks and strengthen the Department's governance process (internal controls) over federal funding, including:

- improving the consistency of Department-wide coordination to fully ensure compliance for internal controls, which contributed to other areas for improvement listed in this report;
- improving the sufficiency of policies and procedures across all program areas, specifically regarding Department-wide policies and procedures to ensure federal grant compliance under UGG;
- improving the adequacy of the Department's training and technical assistance available to its grant managers, to effectively perform their roles and responsibilities in accordance with UGG; and
- implementing a centralized source of data regarding the Department's federal grant activities, to improve data transparency.

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Conclusions

In an effort to continue strengthening the Department's overall governance process, we recommend the Assistant Secretary for Finance and Administration coordinate with other Department leadership to:

- assign a specific person(s), with the appropriate qualifications and knowledge of federal grant compliance, to facilitate the development of an implementation strategy for the Department's federal grant compliance function;
- ensure action plans are developed to:
 - increase awareness of internal controls set forth in UGG among the Department's senior management team, which should align with the GAO Green Book¹ or COSO Framework;² and
 - identify the Department's grant managers to ensure their roles and responsibilities (related to the management of federal grants) are clearly defined;
- develop action plans to implement cohesive Department-wide policies and procedures concerning grant management, to strengthen overall control processes for federal compliance;
- ensure action plans are developed to identify the grant managers' training needs regarding UGG compliance and implement the appropriate training for the identified needs. At a minimum, a Computer Based Training regarding the internal controls should be developed and required for senior management and line managers of grant programs;³ and
- enhance federal grant data transparency.

¹ "Standards for Internal Control in the Federal Government" issued by the Government Accountability Office (GAO)

² The "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)

³ Comprehensive grants training modules, which utilize UGG components as framework, are available for the public in the United States (US) Chief Financial Officers (CFO) Council website.

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BACKGROUND AND INTRODUCTION

Background

On December 26, 2014, the first major overhaul of federal grant regulations in several decades took effect. The new “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Grant Guidance or UGG), codified at Title 2 Code of Federal Regulations (C.F.R.), Part 200, superseded eight cost circulars previously published by the United States Office of Management and Budget (OMB).

The new guidance not only streamlined existing guidance but laid the foundation for a cultural shift in how state and local governments manage grant funds, based on advances in management theory, regulatory practice, and accounting standards over the past several decades.⁴ Without eliminating the need for traditional means of accountability, such as support documentation, the consolidated guidance shifted its emphasis to:

- internal controls as administrative requirements;
- program metrics tied to strategic goals and performance reporting; and
- data availability, consistency, integrity, and security.

During this engagement, the Florida Department of Transportation’s (Department) Office of Inspector General (OIG) evaluated the Department’s progress in implementing the requirements of Title 2 C.F.R., Part 200.

Key Provisions of the Uniform Grant Guidance

Recipient Duties. The life cycle of federal funding ranges from applying for the funding, receiving the award, managing the program, reporting results, requesting reimbursement, to closeout and obtaining a Single Audit. As a primary recipient of federal funding, the Department’s compliance requirements include responsibilities listed below.

Applying for Funding. Applicants for Federal Highway Administration (FHWA), Federal Transit Authority (FTA), or National Transportation Highway Safety Authority (NHTSA) funding must:

- disclose of any conflicts of interest, as defined by FHWA, FTA, or NHTSA policies, as applicable;⁵
- disclose any known instances of fraud or public corruption (e.g., bribery);⁶ and

⁴ As discussed in background preamble to original publication of Uniform Grant Guidance in the Federal Register on December 26, 2013 (Federal Register Volume 78, Issue 248).

⁵ Per 2 C.F.R. 200.112 Conflict of interest

⁶ Per 2 C.F.R. 200.113 Mandatory disclosures

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- certify compliance with federal rules and regulations, including the Uniform Grant Guidance.⁷

Receiving the Award. Federal agencies must perform a risk assessment of an applicant's ability to comply with federal regulations prior to making an award. The assessment may include an evaluation of the quality of the applicant's management systems, history of performance, and Single Audit findings.⁸ Based on its risk assessment, the federal agency may impose additional conditions on the award, including:

- more frequent or detailed reporting requirements;
- more frequent monitoring by the federal agency; or
- requirements for the applicant to obtain training or technical assistance.

Managing the Program. Applicants must have adequate management systems in place to manage the award, including:

- Reasonable safeguards to protect personal information;⁹
- Financial management systems capable of tracking expenditures by funding source; establishing accountability over funds, property, and other assets; and documenting audit trails;¹⁰ and
- Internal controls over compliance.¹¹ The Uniform Grant Guidance recommends framework issued by the Government Accountability Office (GAO) and COSO¹² as best practice for internal controls, both of which include the following components:

1. *Control Environment.* Defines senior management's responsibility to establish a culture of integrity, define roles and responsibilities, delegate responsibility to competent persons, and maintain overall accountability;
2. *Risk Assessment.* Discusses management's responsibility to identify and evaluate risks, including the risk of fraud or change (e.g., technological), and develop response strategies;
3. *Control Activities.* Encompasses development of adequate policies, procedures, and information systems;

⁷ Per 2 C.F.R., Section 200.208 Certifications and representations

⁸ Per 2 C.F.R., Section 200.303(b) Internal controls

⁹ Per 2 C.F.R., Section 200.303(c) Internal controls

¹⁰ Per 2 C.F.R., Section 200.302 Financial management

¹¹ Per 2 C.F.R., Section. 200.303(a) Internal controls

¹² First published by the Committee of Sponsoring Organizations (COSO) of the accounting profession in the United States in 1992; substantially updated in 2013.

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4. *Information and Communication.* Includes quality and timeliness of communication with internal and external stakeholders; and
5. *Monitoring.* Involves timely identification and evaluation of deficiencies and appropriate corrective action.

Reporting Results. The Uniform Grant Guidance represents a shift in emphasis in federal regulations towards monitoring outcomes as measured by performance metrics.¹³ The integrity and reliability of financial and programmatic data reported to the federal government must be supported by adequate controls.¹⁴

Requesting reimbursement. The Uniform Grant Guidance contains guidelines for:

- classifying costs as allowable or unallowable;
- allocating shared direct costs to multiple programs or projects;
- documenting the grant award's allocable portion; and
- preparing indirect cost rate proposals.

Single Audit. Agencies receiving more than \$750,000 in federal funding from any combination of sources must file an independent Single Audit report with the federal government.¹⁵ The OMB publishes an annual Compliance Supplement outlining the required scope of the Single Audit, according to a detailed matrix of compliance components of federal regulations applicable to each grant program.¹⁶ The Auditor General (AG) performs the Department's Single Audit.

Pass-Through Agency Duties. Per 2 C.F.R., Section 200.331 Requirements for pass-through entities, the Department's duties towards its subrecipients include responsibilities listed below.

Pre-Award Risk Assessment. Just as the federal awarding agency must complete a risk assessment of the Department's ability to competently manage grant funds, the Department must complete risk assessments of its potential grantees prior to making a sub-award. For high-risk subrecipients, the Department should consider imposing special conditions (e.g., more frequent reporting, mandatory training).

Contract Disclosures. The Department must include certain disclosures in its grant agreements, including the Catalog of Federal Domestic Assistance (CFDA) number,

¹³ See preamble to original publication of the Uniform Grant Guidance in the Federal Register (FR) at 78 FR 78589.

¹⁴ The *Information and Communication* component of the COSO framework of internal control addresses reliability and integrity of information.

¹⁵ Per 2 C.F.R., Section 200.501 Audit requirements

¹⁶ As identified by the CFDA number

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federal award project description, and any special conditions imposed by the Department as a result of its pre-award risk assessment.

Monitoring. The Department must monitor subrecipients in such a manner as to reasonably ensure the subrecipient is carrying out the purpose of the award in compliance with federal regulations, including the Uniform Grant Guidance. Monitoring must include review of financial and programmatic reports, and may include on-site visits, training, and provision of technical assistance. Any identified deficiencies should be followed up by corrective action plans.

Single Audit Review and Response. As a special category of monitoring, the Department must review the Single Audit report filed by each grantee and issue a written management decision letter stating whether it concurs with any findings. The Department retains the right under the Uniform Grant Guidance to request additional information, require additional corrective actions, and set timelines in its management decision letter.¹⁷

Prior Findings

AG Findings. In its 2017 Single Audit report, the AG found gaps in the Department's monitoring of subrecipient awards of Highway and Construction funding (CFDA No. 20.205). It also found the grant award templates used for these awards lacked required disclosures.

In response, the Department's Office of Comptroller (OOC) spearheaded an effort to develop revised grant contract templates and assisted the Local Program Administrator in developing more robust subrecipient risk assessment and monitoring forms and procedures. At the time of our fieldwork the Department had not resolved the issue of identifying smaller discretionary grants at the District level and developing consistent standards for oversight.

OIG Findings. In three audit reports issued in 2019,¹⁸ the OIG found opportunities for the Office of Policy Planning (OPP) to improve internal controls and ensure subrecipients are compliant with federal regulations. As of February 2020, the OPP is revising its subrecipient risk assessment process and monitoring activities to further strengthen its controls.

Additionally, in four audit reports issued between 2015 and 2019,¹⁹ the OIG identified opportunities for the Transit Office to improve fraud controls over transit programs by

¹⁷ Per 2 C.F.R. 200.521 Management decision

¹⁸ Audit Report 18I-9001 Metropolitan Planning Organization (MPO) Program; Audit Report 18I-9004 Capital Region Transportation Planning Agency; and Audit Report 18I-9003 Lee County MPO.

¹⁹ Advisory Report 14I-9002 Suwannee Valley Transit Authority; Memorandum 14I-9003B Central Office Oversight of 5311 Funding; Advisory Report 18I-9005 Central Office Transit Program Oversight; and 18I-9009 Transit Grant Awards Controls.

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developing technical guidance regarding cost allocation procedures for local transit agencies. The diverse types and sources of transit funding make this area of practice challenging for local agencies. Advisory Report 18I-9005 suggested the Department consider expanding its staffing of the Transit Office to include fiscal as well as programmatic personnel.

At the Transit Office's request, the OIG has completed two projects²⁰ to verify potential best practices at select local agencies to support development of appropriate guidance. Furthermore, the Transit Office is also considering retaining an outside consultant for assistance.

Department Federal Funding

As shown in Table 1 of Attachment 1, the Department annually receives over \$2.3 billion in federal funding, the bulk of which is paid to construction contractors to complete projects managed by the Department. UGG applies to the Department as the primary recipient of this funding, but the Federal Acquisition Regulation (48 C.F.R., Parts 1 – 99) applies to the commercial contractors hired by the Department to carry out its plans.

Of the federal funding it receives, the Department awards over \$200 million to local entities to carry out projects according to the public purpose of the funding. Unlike contractors hired by the Department to provide goods or services for its projects, these subrecipients are subject to the Uniform Grant Guidance.

As the pass-through agency, the Department bears the responsibility for oversight and ensuring compliance with federal regulations at the local level. Otherwise, it bears the risk of paying back any questioned costs not otherwise recoverable at the local level.

As shown in Table 2 of Attachment 1, the Department's subrecipient risk for fiscal year 2019-20 is distributed across the following program areas: Local Agency Program grants; Metropolitan Planning Organization (MPO) grants, including transit, highway, and construction funding; safety-related grants; transit agency grants; and railroad and other grants.

²⁰ 19I-7001 Tri-County Community Council and 19I-7002 Big Bend Transit Agency.

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RESULTS OF REVIEW

We observed the Florida Department of Transportation (Department) should continue to strengthen its overall governance structure and internal controls, as required under the Uniform Grant Guidance (UGG). Specifically, the Department should increase mechanisms which further provide reasonable assurance the Department and its subrecipients are in full compliance with federal grant regulations. We identified four opportunities for improvement, listed below, to reduce overall risks and strengthen the Department's governance process (internal controls) over federal funding.

Opportunity for Improvement 1 – Department-Wide Coordination

Based on prior audit observations,²¹ the Department does not have consistent Department-wide coordination to fully ensure compliance for internal controls as required under UGG. This inconsistency also contributes to the issues discussed under Opportunities for Improvement 2 through 4. Although not required, the Department does not currently have an individual or office assigned to coordinate federal grant compliance across programs.

2 C.F.R., Section 200.303 Internal Controls states, in part:

The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States (GAO Green Book) or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Framework).

The lack of the overall compliance strategy within the Department produces strong processes in some areas, gaps in others, and inadequate overall coordination among the various internal functions. As a result, the Department could be at risk of Single Audit findings regarding the adequacy of its internal control and potential questioned costs stemming from potential inadequate controls.

Opportunity for Improvement 2 – Policies and Procedures

Based on prior audit findings and research of federal grant guidance in the Department's Policy and Process Management database, the Department's policies and procedures are not sufficient to ensure full compliance with UGG.

²¹ AG findings and OIG findings, as summarized under the Background section of this report.

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2 C.F.R., Section 200.302 Financial Management states:

(b) The financial management system of each non-Federal entity must provide for the following... (7) Written procedures for determining the allowability of costs in accordance with Subpart E-Cost Principles of this part and the terms and conditions of the Federal award.

Additionally, the GAO Green Book states:

12.02 Management documents in policies the internal control responsibilities of the organization...and (12.04) communicates to personnel the policies and procedures so that personnel can implement the control activities for their assigned responsibilities.

Currently, the Department's Office of Comptroller (OOC) has developed a policy²² to define the Department's responsibilities for maintaining compliance with the Department of Financial Services' (DFS) requirements regarding federally and state-funded agreements.

Some program areas have also implemented their own specific policies and procedures containing elements of compliance related to allowable versus unallowable costs, based on prior audit findings and corrective actions. For instance, as a result of the AG findings in 2017, the Program Management Office has incorporated details regarding the criteria for allowable versus unallowable costs within their policies and procedures. Additionally, the OPP has included detailed criteria in its invoicing (billing) procedures. However, there are no Department-wide policies and procedures addressing federal grant compliance required under UGG, specifically covering:

- Department expectations for internal control over grant funds (federal or state);
- subrecipient monitoring requirements and techniques, including the option to incorporate additional requirements for high-risk subrecipients; and
- contract management for federal grants, including the Department's responsibility to monitor performance goals, as well as options to impose special conditions and remedies for non-compliance, along with the procedures for implementing such options.

Inadequate written procedures have resulted in strong processes in some areas and weaknesses in others. Additionally, the Department could be at risk of noncompliance with federal regulations at the departmental and subrecipient levels.

²² Procedure 350-030-060 Grant Disbursement Agreements

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Opportunity for Improvement 3 – Training and Technical Assistance

Based on prior audit findings and research of federal grant guidance in the Department's portal for training courses,²³ the Department has not made adequate training and technical assistance available to its grant managers to effectively perform their roles and responsibilities in accordance with UGG.

The GAO Green Book, Section 4.05, states:

Management considers the following... Train - Enable individuals to develop competencies appropriate for key roles, reinforce standards of conduct, and tailor training based on the needs of the role.

DFS currently provides training and assistance regarding compliance with the Florida Single Audit Act, which closely mirrored the Federal Single Audit Act. However, it has not been updated to reflect recent advances in federal regulation such as UGG. Additionally, the Department's Central Office does not provide the following forms of technical assistance to ensure UGG compliance:

- evaluation of risk assessment tools based on Single Audit Compliance Supplement, which outlines federal priorities for external auditors by grant program;
- fiscal compliance evaluations and guidance for the grantee community; and
- assistance in formulating required management responses to Single Audit findings and leverage the Department's regulatory authority to impose additional specific award conditions as needed.²⁴

Unlike other states we reviewed,²⁵ the state of Florida has not established a state-wide office for federal grant compliance. Therefore, it is crucial for the Department to strengthen its internal control processes, specifically regarding training and technical assistance for grant managers to mitigate risks of noncompliance.

Opportunity for Improvement 4 – Grant Data Transparency

The Department would benefit with a more easily accessible centralized source of data regarding federal grant activities, including data identifying specific awards by responsible grant manager, utilization to date, and expiration of funding.

2 C.F.R., Section 200.302 Financial Management states:

(b) The financial management system of each non-Federal entity must provide for the following: (4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

²³ Learning Curve, the Department's learning management system.

²⁴ Title 2 C.F.R., Section 200.207 Specific conditions.

²⁵ See Attachment 3 – Best Practices in Other States.

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The GAO Green Book, Section 13.05, also states:

Management processes the obtained data into quality information that supports the internal control system...Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis...

The Financial Management (FM) Suite is the Department's current financial management system, which integrates and interfaces with the Florida Accounting Information Resource (FLAIR),²⁶ the state-wide accounting application for all state agencies. The Department utilizes FM to plan, manage, finance, and budget transportation projects, as well as to maintain its accounting data. For our analysis, we utilized the OOC Dashboard, i.e. the OOC Financial Reporting System,²⁷ to generate and examine the Department's fiscal year (FY) 2018-19 federal expenditure data.

Based on our review, the data²⁸ does not clearly define the responsible grant manager, utilization to date, and expiration of funding for each specific award. To obtain this data, relevant information must be collected from individual program areas, including the District offices, as well as various documentation and databases, such as (but not limited to):

- subrecipient agreement packages, which include the contract amount, effective date, fund approval (encumbrance) forms, and terms and conditions of awards;
- Florida Accountability Contract Tracking System (FACTS), an online database hosted by the Department of Financial Services, which maintains agency contract information, including copies of agreement packages, amendments, and budget amounts, as well as payment to date;
- Capital Improvement Program (CIP) systems, customized database systems utilized by the Office of Freight, Logistics, and Passenger Operations (FLPO), to facilitate grant management. The CIP systems were recently updated to allow storage of contracts, invoices, progress reports, and other documentation related to grant programs;²⁹ and
- internal spreadsheet maintained by each program area to track budget versus actual amount expended to date.

Currently, the Department is in the process of developing a new financial management system called the Work Program Integration Initiative (WPPII), which should improve the Department's data transparency and provide a unified FM Suite. The WPPII system will replace the current FM Suite and integrate the financial aspects of Work Program

²⁶ FLAIR is the state of Florida's general ledger accounting system that is functionally owned by the Department of Financial Services.

²⁷ The OOC Financial Reporting System is a web-based reporting application for FM data.

²⁸ Federal expenditure data generated from the OOC Dashboard.

²⁹ OIG Memorandum 18I-3002 Review of FLPO Grant Management Processes. Each mode of the FLPO utilizes different CIP systems: the Aviation Office uses JACIP (Joint Automated Capital Improvement Program); the Freight and Multimodal Office uses RHCI (Railroad Highway Crossing Inventory); the Seaport and Waterways Office uses SeaCIP; and the Transit Office uses TransCIP.

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projects with key contract management information.³⁰ However, as of February 2020, the WPII project has not been implemented; thus, we could not confirm whether the new system would ultimately improve the Department's grant data transparency.

Conclusions

In an effort to continue strengthening the Department's overall governance process, we recommend the Assistant Secretary for Finance and Administration coordinate with other Department leadership to:

- assign a specific person(s), with the appropriate qualifications and knowledge of federal grant compliance, to facilitate the development of an implementation strategy for the Department's federal grant compliance function;
- ensure action plans are developed to:
 - increase awareness of internal controls set forth in UGG among the Department's senior management team regarding the internal control requirements set forth in UGG. These internal controls should align with the GAO Green Book or COSO Framework; and
 - identify the Department's grant managers to ensure their roles and responsibilities (related to the management of federal grants) are clearly defined;
- develop action plans to implement cohesive Department-wide policies and procedures concerning grant management, to strengthen overall control processes for federal compliance;
- ensure action plans are developed to identify the grant managers' training needs regarding UGG compliance and implement the appropriate training for the identified needs. At a minimum, a Computer Based Training regarding the UGG internal control requirements should be developed and required for senior management and line managers of grant programs;³¹ and
- enhance federal grant data transparency.

At senior management's request, the OIG may assist by providing training presentations regarding the internal controls framework as required by UGG, serving in an advisory capacity for management-led discussions regarding applicability and possible strategies.

³⁰ Invitation to Negotiate (ITN) WPII. ITN-DOT-17/18-9005-GH.

³¹ Comprehensive grants training modules, which utilize UGG components as framework, are available for the public in the United States Chief Financial Officers Council website.

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APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to conduct a review of the Department of Transportation's compliance with the Uniform Grant Guidance regarding the management of federal grant awards. Our primary objective was to determine whether the Department has adequate governance to comply with the UGG requirements.

The **scope** of this engagement included the Department's federal expenditure data for FY 2017-18.

The **methodology** included working meetings with the staff members of the Office of the Comptroller to discuss the Department's federal expenditure data. We also conducted several additional working meetings to discuss the Department's federal funding process with the following areas:

- Office of Work Program and Budget;
- Office of Freight, Logistics, and Passenger Operations;
- Local Agency Program Management Office;
- Office of Policy Planning;
- Emergency Office; and
- Safety Office.

Reviews were also conducted for the Department's:

- organizational structures;
- federal expenditure data for FY 2017-18;
- policies and procedures related to the internal controls of federal funding;
- existing training mechanism related to internal controls of federal funding; and
- the federal System for Awards Management (SAM) certification.

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APPENDIX B – Management Response

The Assistant Secretary for Finance and Administration, Stacy Miller, provided the following response:

“I appreciate the OIG’s review and support the recommendations to expand training and transparency. The management of federal grants is a department-wide effort, many of which are handled thru the Local Agency Program. The Department has updated/developed agreements, as applicable, as well as implemented new processes for grants obtained by local partners. We continue to strengthen overall efforts in Strategic Development, Engineering and Operations, as well as Finance and Administration.”

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DISTRIBUTION

Responsible Manager:

Stacy Miller, P.E., Assistant Secretary for Finance and Administration

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Ralph Yoder, Executive Director, Florida Transportation Commission

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PROJECT TEAM

Engagement was conducted by:

Linda Tan, Senior Audit Supervisor for Performance and IT Unit

Under the supervision of:

Tim Crellin, Deputy Audit Director for Intermodal Audit Unit

Nancy Shepherd, Special Projects Coordinator and External Audit Liaison

Joseph W. Gilboy, Director of Audit

Approved by:

Kristofer B. Sullivan, Inspector General

STATEMENT OF ACCORDANCE

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

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ATTACHMENT 1 – FY 2018-19 Federal Expenditures

Below is the Department's federal expenditure data for fiscal year 2018-19.

TABLE 1 – Summary of FY 2018-19 Federal Expenditures Data

CFDA #	Agency Identifier*	Catalog of Federal Domestic Assistance (CFDA) Description	Total Expenditures	Sub granted to:		Grand Total
				State Agencies	Local Entities	
20.106	FAA	Airport Improvement Program	\$1,259,460			\$1,259,460
20.200	FHWA	Highway Research and Development	273,169	42,450	230,719	546,338
20.205	FHWA/SIB	Highway Planning and Construction	2,200,858,787	8,466,554	149,039,461	2,358,364,802
20.224	FHWA	Federal Lands Access Program	3,036,238	8,258	3,027,980	6,072,476
20.237	FMCSA	Motor Carrier Safety Assistance	150,393			150,393
20.321	FTA	Railroad Safety Technology Grants	1,402,174			1,402,174
20.500	FTA	Federal Transit Capital Investment Grants	5,492,542			5,492,542
20.505	FTA	Metropolitan Transportation Planning	8,901,817		8,901,817	17,803,634
20.507	FTA	Federal Transit Formula Grants	217,890			217,890
20.509	FTA	Formula Grants for Rural Areas	15,190,587		15,190,587	30,381,174
20.513	FTA	Enhanced Mobility of Seniors/Disabled	18,227,416		18,227,416	36,454,832
20.516	FTA	Job Access and Reverse Commute Program	326,948		326,948	653,896
20.521	FTA	New Freedom Program	113,404		113,404	226,808
20.526	FTA	Bus and Bus Facilities Formula Program	2,458,818		2,458,818	4,917,636
20.528	FTA	Rail Fixed Guideway System Safety	844,964			844,964
20.600	NHTSA	State and Community Highway Safety	7,027,480	6,000,561	1,026,919	14,054,960
20.614	NHTSA	Discretionary Safety Grants	297,039	297,039		594,078
20.616	NHTSA	National Priority Safety Programs	9,198,777	7,519,656	1,679,121	18,397,554
20.933	FRA/FHWA	National Infrastructure Investments	7,127,372		4,236,227	11,363,599
97.036	DHS	Presidentially Declared Disasters	57,365,760			57,365,760
			\$2,339,771,035	\$22,334,518	\$204,459,417	\$2,566,564,970

***Acronym Key**

DHS	Department of Homeland Security	FRA	Federal Railroad Administration
FAA	Federal Aviation Administration	FTA	Federal Transit Administration
FHWA	Federal Highway Administration	NHTSA	National Highway Traffic Safety Administration
FMCSA	Federal Motor Carrier Safety Administration	SIB	State Infrastructure Bank

TABLE 2 – FY 2018-19 Cash Basis Expenditures* by Catalog of Federal Domestic Assistance Number and Program Area (Shown in Thousands)**

CFDA #	Grant Description	LAP	Planning	Safety	Transit	Rail	Other	Total
20.205	Highway Planning and Construction	\$ 114,574	\$ 32,973	\$ 9,518	\$ 255	\$ 1,887	\$ 4,333	\$ 163,540
20.509	Formula Grants for Rural Areas				16,785			16,785
20.616	National Priority Safety Programs			9,760				9,760
20.505	Metropolitan Transportation Planning		9,325					9,325
20.600	State and Community Highway Safety			7,118				7,118
20.513	Enhanced Mobility of Seniors/Disabled				6,939			6,939
20.933	National Infrastructure Investments					4,601		4,601
20.526	Bus and Bus Facilities Formula Program				1,254			1,254
20.614	Discretionary Safety Grants			351				351
20.200	Highway Research and Development	230		42				273
20.516	Job Access and Reverse Commute				233			233
20.521	New Freedom Program				23			23
20.224	Federal Lands Access Program						17	18
		\$ 114,804	\$ 42,298	\$ 26,791	\$ 25,490	\$ 6,488	\$ 4,351	\$ 220,223

* Amounts differ from the Department's official Schedule of Expenditures of Federal Awards, since stated on the cash (expenditure tied to date paid) versus accrual (expenditure tied to date service provided) basis of accounting.

** Based on the following rules applied to source data from the Department's Financial Management System report, accessed via Office of Comptroller dashboard:

Local Agency Planning—Project Phase = 08 (Other Agency)
 Planning—Category = 888054 (Transportation Planning Grants) or CFDA # = 20.505
 Transit—Transportation System = 08 (Transit) and not otherwise assigned to Planning or Rail
 Safety—Cost Center = 945 (Safety Office) or CFDA # = 20.600, 20.614, or 20.616
 Rail—Grantee = Florida East Coast Railway (FEC) or South Florida Regional Transportation Authority (SFRTA)

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

ATTACHMENT 2 – Best Practices in Other States

Several states have established state-wide grant offices to provide comprehensive training and technical assistance to federal grant managers, including:

- Arizona Department of Administration, Office of Grants and Federal Resources;
- Hawaii Department of Budget and Finance, Office of Federal Awards Management;
- Illinois Governor’s Office of Management and Budget, Grant Accountability and Transparency Unit;
- Maryland Office of the Governor, Grants Office;
- Nevada Office of Administration, Office of Grant Procurement, Coordination, and Management; and
- Rhode Island Office of Management and Budget, Office of Grants Management.

Illinois stands out for its innovative practices in grant management. Following passage of the Grant Accountability and Transparency Act of 2014 (GATA), Illinois became “the first state in the nation to legislate requirements that establish state-wide grant accountability and transparency frameworks throughout the entire grant life cycle.”³²

Because GATA applies the Uniform Grant Guidance to state of Illinois funding, the frameworks apply interchangeably to state and federal funding. Illinois further strengthened, streamlined, and simplified its grant management processes by:

- Developing software to address identified gaps in existing systems supporting grant management, including grantee registration, prequalification, and report reviews;
- Authorizing procurement, design, and development of a state-wide grant management system;
- Developing a comprehensive set of compliance frameworks and templates, as well as live and online training modules for state agencies and local stakeholders;
- Automating pre-qualification background checks, communication, and technical support through a state-wide grantee portal;
- Centralizing financial and administrative pre-award risk assessments;
- Developing standard fiscal agent qualifications to encourage grantees to hire or contractually obtain appropriate assistance for fiscal aspects of compliance;
- Centralizing coordination of Single Audit report reviews, to minimize duplication of effort and produce a single set of responses for grantees; and
- Creating a Centralized Indirect Cost Unit to coordinate negotiation of indirect cost rates.

The Federal OMB recognized the state's efforts as a promising practice that eliminates redundancies, increases effectiveness, and drives compliance in state-wide grant management. The U.S. Comptroller General and the Federal OMB also encourage other states to follow Illinois' lead with its framework for grant management.

³² State of Illinois GATA – 4th Annual Report to the Governor and General Assembly, January 1, 2019.