



Florida Department of TRANSPORTATION

Office of Inspector General
Kristofer B. Sullivan, Inspector General

DocuSigned by:

Kristofer B. Sullivan

66AAC6E338F64F4...

Audit Report No. 22I-001
Broward Metropolitan Planning Organization (BMPO)

2/7/2023

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General (OIG) conducted an audit of the Broward Metropolitan Planning Organization (BMPO) to determine whether the BMPO invoices and payments were made in accordance with the Federal Regulations, Florida Statutes, Agreement, Memorandum of Understanding (MOU)¹, and Metropolitan Planning Organization (MPO) Program Management Handbook. This audit was conducted as a part of the fiscal year 2020-21 Audit Plan. The scope of this audit was the BMPO Agreement G1O57 (Agreement) for fiscal years 2020-22.

What We Found

We determined the tested BMPO expenses from invoices FHWA-G1O57-8 and FHWA-G1O57-11 for the Agreement were allowable, necessary, reasonable, and allocable following Title 2, Part 200, Code of Federal Regulations (C.F.R.)-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E-Cost Principles, MPO Handbook, and Agreement.

What We Recommend

We have no recommendation at this time, as we determined that BMPO's expenses are allowable, necessary, reasonable, and allocable following 2 C.F.R. 200, Subpart E., MPO Handbook, and Agreement.

¹ MOU is between Broward MPO, Miami-Dade TPO, Palm Beach TPA, District 4, and District 6. This MOU is entered to ensure mutual compliance and adherence with the statutory Federal Regulations, Florida Statute, and Department guidelines, and other related policies and procedures in procurement and production.

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

TABLE OF CONTENTS

BACKGROUND AND INTRODUCTION	3
RESULTS OF REVIEW	5
Finding 1 – BMPO Invoices Cost Principle	5
Observation 1 – Supporting Documents	6
APPENDIX A – Purpose, Scope, and Methodology	8
APPENDIX B – Affected Entity Response	9
APPENDIX C – Management Response	11
APPENDIX D – Criteria	12
DISTRIBUTION	15
PROJECT TEAM	16
STATEMENT OF ACCORDANCE	16

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

BACKGROUND AND INTRODUCTION

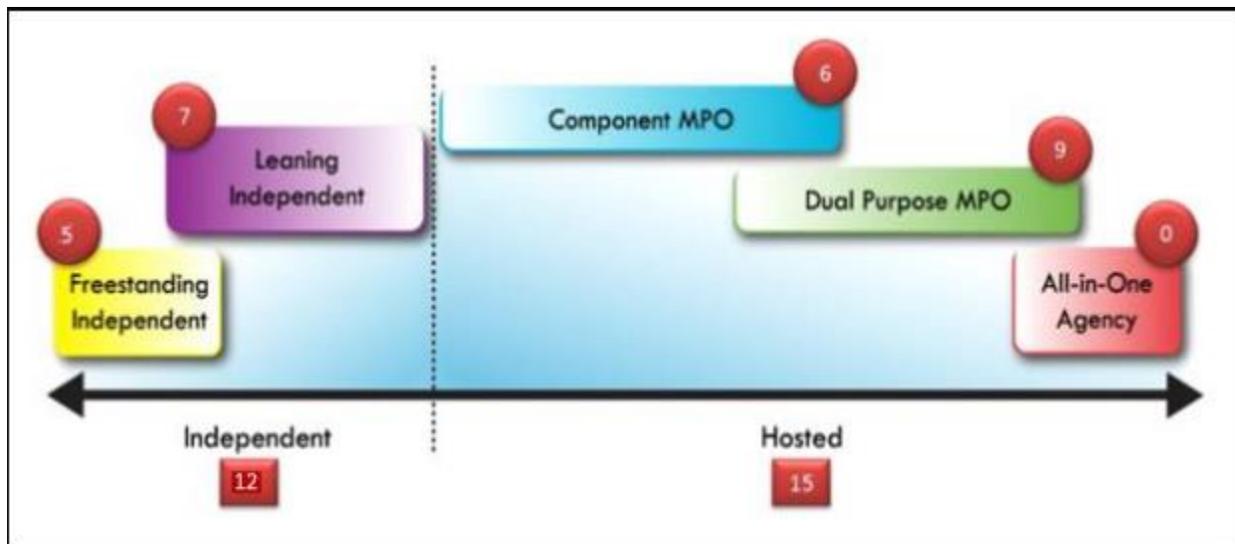
Metropolitan Planning Organizations

In 1973, the Federal-Aid Highway Act mandated the creation or designation of Metropolitan Planning Organizations (MPOs) for urbanized areas with populations greater than 50,000 people. MPOs are federally mandated Transportation Planning Organizations (TPOs), comprised of representatives from local governments and transportation authorities, which help ensure federally funded transportation projects support local priorities. In Florida, MPOs may be referred to interchangeably as MPOs, TPOs, or Transportation Planning Agencies (TPAs).

There are 27 MPOs across the state of Florida. Typically, each MPO has been founded by an Interlocal Agreement, executed under Title XI, Chapter 163, Florida Statutes, among the various county, city, and other local governments in the area to be served. Many MPOs also execute a separate service agreement with a participating local government to obtain administrative services or other support (e.g., office space) often, at below-market rates. The terms of these arrangements vary widely.

In 2011, the Florida MPO Advisory Council (MPOAC) commissioned the Center for Urban Transportation Research (CUTR) at the University of South Florida to analyze the different organizational structures employed by Florida's MPOs. CUTR classified the MPOs into two categories, hosted and independent, and five subcategories, ranging from being fully independent (freestanding) to being so thoroughly integrated with the host agency that they are nearly indistinguishable from the host (all-in-one agency). Figure 1 illustrates the CUTR classification model, as applied to Florida's MPOs.

Figure 1: MPO Structures



Source: a snapshot of Florida MPOs – MPOAC; modified by the Office of Inspector General (OIG) to include the newest MPO, Heartland Regional TPO.

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

Broward Metropolitan Planning Organization (BMPO)

The BMPO is an independent and federally mandated agency responsible for making policy on local transportation issues and deciding how to spend federal money on transportation projects within Broward County. The BMPO is an independent (freestanding) MPO, where the MPO must meet all of its own operating needs. The BMPO seeks to address overall mobility needs within the county based on the needs of residents, businesses, and visitors to collaboratively plan, prioritize, and fund the delivery of diverse transportation options.

BMPO's Relationship with the Florida Department of Transportation (Department)

The MPO's planning grants are Federal Highway Administration (FHWA) funds that are passed through the Department. The MPO also handles Federal Transit Administration (FTA) funds that are used in Modal grants. BMPO, located in the Department's District Four (District), is assigned a District liaison. BMPO submits invoices to the liaison for reimbursement. The liaison is responsible for oversight of the MPO funds to ensure compliance with both Federal Regulations and Florida Statutes.

The Department's Office of Policy Planning (OPP), as well as the District, supports and oversees the BMPO in its planning process. The Department, via OPP and the District, provides both technical support and financial support as a pass-through entity for federal funds.

BMPO and the Department have executed an agreement, the "Metropolitan Planning Organization Agreement" (Agreement), for each grant. This agreement outlines the terms and conditions upon which the FHWA and FTA funds will be provided and sets forth how work tasks and subtasks within the Unified Planning Work Program (UPWP), the MPO's budget, will be undertaken and completed.

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

RESULTS OF REVIEW

The objective of our audit was to determine whether the BMPO invoices and payments are made in accordance with the Federal Regulations and Florida Statutes, BMPO Agreement, Memorandum of Understanding (MOU), and MPO Program Management Handbook.

Finding 1 – BMPO Invoices Cost Principle

We determined the tested BMPO expenses from invoices FHWA-G1O57-8 and FHWA-G1O57-11 for Agreement G1O57 (Agreement) were allowable, necessary, reasonable, and allocable following Title 2, Part 200, Code of Federal Regulations (C.F.R.)-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E-Cost Principles, MPO Handbook, and Agreement. See Appendix D for the complete criteria.

The District Four, Transportation Planning Manager submitted invoice packages for the selected Agreement. There were a total of fifteen invoices submitted for the Agreement period of 07/01/2020 - 8/05/2022. We reviewed all fifteen invoice packages checklist, cover page, and itemized detail report against the criteria listed in the Agreement, MPO Handbook, and Unified Planning Work Program (UPWP). A sampling process was used to select invoices with minor transcription and/or supporting documentation errors for additional review. The two selected invoices FHWA-G1O57-8 and FHWA-G1O57-11 had six categories with line item expenses that were tested against the UPWP allowable activities and deliverables. This included, who performed the activity, timeframes for deliverable completion, and the cost of the work as outlined in the Agreement. We verified expenses from invoices FHWA-G1O57-8 and FHWA-G1O57-11 for Surface Transportation Program Urban Funds (SU) and Planning Funds (PL) in the amount of \$868,654.29 were allowable, necessary, reasonable, and allocable following 2 C.F.R. 200.400, Subpart E. See Table 1.

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

Table 1: FHWA Invoice Allowable Cost

Invoice #	Invoice Period	Task	Description	FHWA PL Invoice Amount	FHWA SU Invoice Amount	Total FHWA Invoice Amount	Costs are in compliance with 2 C. F. R. 200, Subpart E Cost Principles		
							Allowable	Reasonable	Allocable
FHWA-G1057-8	2/1/2021-2/28/2021	1	MPO Administration, Board/Committee Coordination and Public Participation/outreach	\$58,398.64	\$ 226,463.94	\$ 284,862.58	Yes	Yes	Yes
		2	Data Collection and Analysis	\$ 1,924.11	\$ 5,245.58	\$ 7,169.69	Yes	Yes	Yes
		3	Metropolitan and Intermodal/Freight Planning	\$ 7,838.55	\$ 25,955.72	\$ 33,794.27	Yes	Yes	Yes
		4	Complete Streets, Transit Planning and Congestion Management	\$26,760.27	\$ 84,045.91	\$ 110,806.18	Yes	Yes	Yes
		5	Transportation Improvement Program	\$ 2,198.90	\$ 800.00	\$ 2,998.90	Yes	Yes	Yes
		6	Regional Transportation Model and Data	\$ -	\$ -	\$ -	Yes	Yes	Yes
		Total		\$97,120.47	\$ 342,511.15	\$ 439,631.62	Yes	Yes	Yes
FHWA-G1057-11	5/1/2021-5/31/2021	1	MPO Administration, Board/Committee Coordination and Public Participation/outreach	\$ -	\$ 266,642.20	\$ 266,642.20	Yes	Yes	Yes
		2	Data Collection and Analysis	\$ -	\$ 38,906.94	\$ 38,906.94	Yes	Yes	Yes
		3	Metropolitan and Intermodal/Freight Planning	\$ -	\$ 43,586.28	\$ 43,586.28	Yes	Yes	Yes
		4	Complete Streets, Transit Planning and Congestion Management	\$ -	\$ 79,887.25	\$ 79,887.25	Yes	Yes	Yes
		5	Transportation Improvement Program	\$ -	\$ -	\$ -	Yes	Yes	Yes
		6	Regional Transportation Model and Data	\$ -	\$ -	\$ -	Yes	Yes	Yes
		Total		\$ -	\$ 429,022.67	\$ 429,022.67	Yes	Yes	Yes

Source: Invoice FHWA-G1057- 8 and FHWA-G1057-11 provided by the District and the backup documents provided by BMPO.

Observation 1 – Supporting Documents

We observed that 11 out of 15 invoices submitted by BMPO to District Four for the Agreement had minor description errors and amounts in the Itemized Expenditure Detail Reports and the Invoice Cover Page. The following minor errors are noted as follows:

Itemized Expenditure Detail Report

- Descriptions in the Itemized Expenditure Detail Reports for SU:
 - 8 of the 15 invoices (7, 9, 10, 11, 12, 13, 14, and 15) had incorrect amounts under the Grand Total amounts for Budget Categories; and
 - 11 of the 15 (6, 7, 8, 9, 10, 11, 12, 13, 14, and 15) invoices had incorrect amounts under the Total FHWA Previous Amount and the Total FHWA Remaining Balance.
- Descriptions in the Itemized Expenditure Detail Reports for PL:
 - 1 of the 15 (8) invoices had incorrect amounts under the Grand Total amounts for Budget Categories: and
 - 3 of the 15 invoices (9, 10, and 12) were missing the Itemized Expenditure Detail Reports for the PL.

Invoice Cover Page

Of the 15 invoices, five invoices had incorrect amounts under the Total FHWA Previous Amount and Total FHWA Remaining Balance on the Invoice Cover Page. We made BMPO aware of this observation during the engagement and BMPO made the necessary corrections to the invoices' Cover Pages.

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

Additionally, supporting documents provided by BMPO for one out of the two selected invoices for detailed testing did not match what was listed on the Invoice Cover Page. Of the two invoices (FHWA-G1O57-8 and FHWA-G1O57-11) that were selected for detailed testing, FHWA-G1O57-8 had incorrect amounts on the Cover Page that did not match the supporting documentation amounts provided by BMPO and approved by the District. The amount of \$4,785.16 was entered in the wrong line item on the invoice Cover Page, this did not affect the invoice's total amount due. The materiality of these errors did not warrant a finding.

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

APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to determine whether Broward MPO invoices and payments are made in accordance with the Federal Regulations and Florida Statutes, BMPO agreement, MOU, and MPO Program Management Handbook.

The **scope** of this audit was the BMPO Agreement G1O57 for fiscal years 2020-22.

The **methodology** included:

- Obtained an understanding of BMPO’s accounting system for grant G1O57;
- Reviewed BMPO’s agreements, MOU, and MPO Program Management Handbook;
- Reviewed prior reports;
- Met with the District and BMPO to review and understand the payment process for the grant;
- Identified funding sources and lead agency for the selected grant;
- Identified who reimburses the invoices;
- Identified the processes the District and BMPO use to monitor the payments for the G1O57 grant; and
- Selected and reviewed invoicing packages for grant G1O57 and supporting documentation to ensure the BMPO submitted all records necessary to the district.

Office of Inspector General
Florida Department of Transportation

APPENDIX B – Affected Entity Response



December 27, 2022

Ms. Jessica Mobley
Deputy Audit Director for Intermodal
Office of Inspector General (OIG)
Florida Department of Transportation (FDOT)
605 Suwannee Street, MS 44
Tallahassee, FL 32399

Dear Ms. Mobley:

The Broward Metropolitan Planning Organization (BMPO) is in receipt of the OIG's draft 2022 Audit of the BMPO's invoices and payments. We concur with the results and do not have any formal comments. As discussed in the Audit Briefing, the BMPO has since updated and improved our invoicing process, working in cooperation with the FDOT, D-4 staff.

We appreciate the time, effort and care taken by staff to complete this audit, especially Mervat Bebawy, Christine Fasiska, and Adrian Liburd.

Sincerely,

Greg Stuart (Dec 27, 2022 14:06 EST)

Gregory Stuart
Executive Director

Cc: Mervat Bebawy, FDOT OIG
Christine Fasiska, FDOT D-4
Renee Cross, BMPO
Bryan Caletka, BMPO
Adrian Liburd, BMPO

Chair

Frank C. Ortis

Vice Chair

Sandy Johnson

Deputy Vice Chair

Ana M. Ziade

Members | Alternates

Torey Alston
Antonio V. Arserio
Felicia M. Brunson
Chris Caputo
Michael Carn
Yvette Colbourne
Joy Cooper
Lamar Fisher
Beam Furr
Bill Ganz
Bob Hartmann
Caryl Hattan
William "Bill" Hodgkins
Byron Jaffe
Sandy Johnson
Lori Lewellen
Irene Kirdahy
Lawrence "Jabbow" Martin
Andrea McGee
Robert L. McKinzie
Howard Meltzer
Buz Oldaker
Debra Placko
Tim Ryan
Joseph A. Scutto
Caryl S. Shuham
Joshua Simmons
Lynn Stoner
Dean J. Trantalis
Michael Udine
Rich Walker
Sandra L. Welch
Beverly Williams
Ana M. Ziade

Executive Director

Gregory Stuart

General Counsel

Alan Gabriel

Trade Center South | 100 West Cypress Creek Road, Suite 650 | Fort Lauderdale, FL 33309-2181 | BrowardMPO.org

For complaints, questions or concerns about civil rights or nondiscrimination; or for special requests under the Americans with Disabilities Act, please contact Carl Ema, Title VI Coordinator at (954) 876-0052 or ema@browardmpo.org

Office of Inspector General
Florida Department of Transportation

2022-12-27 BMPO Audit Response

Final Audit Report

2022-12-27

Created:	2022-12-27
By:	Renee Cross (crossr@browardmpo.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3AbNOIQdxOKP9b4Mt5q4j_jZMf7agZcF

"2022-12-27 BMPO Audit Response" History

-  Document created by Renee Cross (crossr@browardmpo.org)
2022-12-27 - 6:11:19 PM GMT - IP address: 68.66.137.140
-  Document emailed to Greg Stuart (stuartg@browardmpo.org) for signature
2022-12-27 - 6:12:21 PM GMT
-  Email viewed by Greg Stuart (stuartg@browardmpo.org)
2022-12-27 - 7:05:38 PM GMT - IP address: 174.211.112.3
-  Document e-signed by Greg Stuart (stuartg@browardmpo.org)
Signature Date: 2022-12-27 - 7:06:08 PM GMT - Time Source: server - IP address: 174.211.112.3
-  Agreement completed.
2022-12-27 - 7:06:08 PM GMT



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

APPENDIX C – Management Response

On January 19, 2023, The OIG received an email from Mike Neidhart, Metropolitan Planning Administrator, indicating that the Office of Policy Planning had no response to the report.

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

APPENDIX D – Criteria

Title 2, Part 200, Code of Federal Regulations (C.F.R.)-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E-Cost Principles

2 C.F.R 200.403-Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period. See also 200.306(b).
- g) Be adequately documented. See also 200.300 through 200.309 of this part.
- h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to 200.308(e)(3).

2 C.F.R 200.404-Reasonable costs.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally funded. In determining reasonableness of a given cost, consideration must be given to:

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

- a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-federal entity or the proper and efficient performance of the federal award.
- b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- c) Market prices for comparable goods or services for the geographic area.
- d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.
- e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

2 C.F.R 200.405-Allocable costs.

- a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
 - 1) Is incurred specifically for the Federal award;
 - 2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
 - 3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.
- b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.
- c) Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

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

- d) Direct cost allocation principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also 200.310 through 200.316 and 200.439.
- e) If the contract is subject to Cost Accounting Standards (CAS), costs must be allocated to the contract pursuant to the CAS. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.

MPO Handbook Section 3.13.1 (e, h, I, I)- Invoice - This section outlines the requirements of invoice packages as listed below:

- Contract number, including amendment number and modification number (e).
- The amount due by UPWP task and by fund type (h)
- The amount of FHWA funds due by UPWP task (i)
- Column totals (I)

MPO Handbook Section 3.10.2 Itemized Expenditure Detail Report as listed below:

- ...The MPO will not be reimbursed for any expenses not reflected on the detailed expenditure report.
- ...Each line item given in the Itemized Expenditure Detail Report must reflect the budgeted amount derived from the UPWP; this would consist of the amount of previous payments made on that line item, the current amount due for that line item, and the remaining balance available for that line item that is derived from a calculation subtracting the total amount due and previous payments from the budgeted amount for each line item...

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

DISTRIBUTION

Responsible Manager:

Alison Stettner, Director of the Office of Policy Planning

Internal Distribution:

Jared W. Perdue, P.E., Secretary, Department of Transportation
Leda Kelly, Chief of Staff
Will Watts, P.E., Assistant Secretary for Engineering and Operations
Lisa Saliba, Assistant Secretary for Finance and Administration
L.K. Nandam, Interim Assistant Secretary for Strategic Development
Huiwei Shen, Chief Planner
Mike Neidhart, Metropolitan Planning Administrator
Gerry O'Reilly, P.E., District Four Secretary
Christine M. Fasiska, Transportation Planning Manager, District four
Nicola Liquori, CPA, Executive Director, Turnpike Enterprise

External Distribution:

Melinda Miguel, Chief Inspector General, Executive Office of the Governor
Sherrill Norman, Auditor General, State of Florida
Jamie Christian, Florida Division Administrator, Federal Highway Administration
Ralph Yoder, Executive Director, Florida Transportation Commission
Greg Stuart, Executive Director, Broward MPO
Bryan Caletka, Director of Transportation & Human Resources, Broward MPO
Renee L. Cross, Transit Manager, Broward MPO
Adrian Liburd, Accounting Manager, Broward MPO

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

PROJECT TEAM

Engagement was conducted by:
Mervat Bebawy, Auditor-in-Charge

Under the supervision of:
Barbara Brown-Walton, Senior Audit Supervisor
Jessica Mobley, Deputy Audit Director for Intermodal
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.