



Florida Department of TRANSPORTATION

Office of Inspector General
Kristofer B. Sullivan, Inspector General

DocuSigned by:

Kristofer B. Sullivan

66AAC6E338F64F4...

March 25, 2024

Audit Report No. 23I-012
River to Sea Transportation Planning Organization

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General conducted an audit of the River to Sea Transportation Planning Organization's (TPO) accounting and financial management policies, procedures, and processes. Additionally, we reviewed Grant Agreement (Agreement) G2798 to ensure invoices and expenses are in accordance with federal regulations, state statutes, and Department policies and procedures. This audit was conducted as part of the fiscal year 2022-23 annual audit plan.

What We Found

We determined River to Sea TPO's current written accounting policies and procedures are in accordance with federal regulations, state statutes, and Department policies and procedures.

We determined that River to Sea TPO is compliant with the use of funds allocated and expended for allowable, reasonable, necessary, and allocable costs for Grant Agreement G2798 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. **We also determined** all three quarters were submitted within 90-days as required by the Agreement.

What We Recommend

There are no recommendations.

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

TABLE OF CONTENTS

BACKGROUND AND INTRODUCTION	3
RESULTS OF REVIEW	6
Finding 1 – Compliance of Written Policies and Procedures	6
Finding 2 – Financial Management Controls	7
APPENDIX A – Purpose, Scope, and Methodology	11
APPENDIX B – Affected Entity Response	12
APPENDIX C – Management Response	13
DISTRIBUTION	14
PROJECT TEAM	15
STATEMENT OF ACCORDANCE	15
ATTACHMENT 1 – Criteria: Additional Details for Findings 1 and 2	16
ATTACHMENT 2 – Specific Conditions Letter	20

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

BACKGROUND AND INTRODUCTION

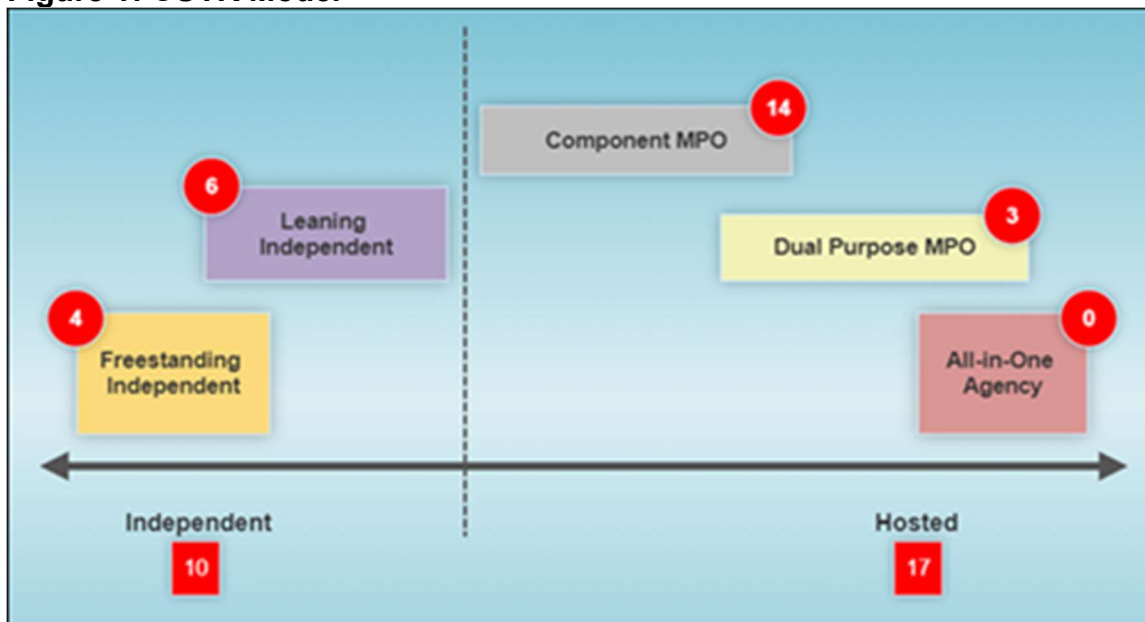
Metropolitan Planning Organizations

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 of Florida Statutes (F.S.), 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.

The Center for Urban Transportation Research (CUTR) at the University of South Florida, under the direction of the Florida MPO Advisory Council (MPOAC), 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: CUTR Model



Source: A snapshot of Florida MPOs – MPOAC; created by the Office of Inspector General (OIG) as of September 29, 2023.

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

The Florida Department of Transportation's (Department) Office of Policy Planning (OPP) uses the CUTR model to classify MPO governance structures.

The MPO carries out four primary activities:

- Develop and maintain a Long-Range Transportation Plan (LRTP), which addresses no less than a 20-year planning horizon.
- Update and approve a Transportation Improvement Program (TIP), and a four-year highway and transit improvement program. In Florida, MPOs are required to develop and adopt a TIP annually that includes a five-year program of projects. The fifth year is included for illustrative purposes.
- Develop and adopt a Unified Planning Work Program (UPWP), which identifies the MPOs budget and planning activities that are to be undertaken in the metropolitan planning area.
- Prepare a Public Participation Plan, which describes how the MPO involves the public and stakeholder communities in transportation planning. The MPO also must periodically evaluate whether its public involvement process continues to be effective.

River to Sea Transportation Planning Organization (TPO)

Formerly known as Volusia TPO, the River to Sea TPO is responsible for carrying out the urban transportation planning and programming process for the designated Metropolitan Planning Area of Volusia County and the developed areas of eastern Flagler County including Beverly Beach and Flagler Beach as well as parts of Palm Coast and Bunnell.

The responsibility of the River to Sea TPO is to manage a "3-C" planning process (continuing, cooperative, and comprehensive) that results in the development of transportation plans and programs. These plans serve as the framework for making transportation investment decisions in Volusia and Flagler Counties. River to Sea TPO provides a forum for cooperative decision-making by officials of affected local governmental entities with input from citizens and stakeholder groups. Public participation is a key component of transportation planning and one of the core functions of the River to Sea TPO.

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

River to Sea TPO's Relationship with the Department

The Department works closely with all 27 MPOs throughout the State of Florida. River to Sea TPO, located in District Five, is assigned an MPO Liaison who is responsible for oversight of the MPO funds. The liaison is responsible for ensuring compliance with both federal regulation and state statutes. The Department provides both technical support via District MPO liaisons and financial support as a pass-through entity for federal funds. Through the Consolidated Planning Grant¹, the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) annually deliver lump sum appropriations to the Department to allocate to MPOs for the metropolitan planning activities. River to Sea TPO and the Department have executed an agreement, "Metropolitan Planning Organization Agreement" (Agreement) G2798. This agreement states the terms and conditions upon which the FHWA funds will be provided and sets forth the manner in which work tasks and subtasks within the Unified Planning Work Program (UPWP), and the River to Sea TPO's budget will be undertaken and completed. River to Sea TPO has five current agreements with the Department. For this audit, Grant Agreement G2798 was selected for review and is budgeted for \$3,265,623.

¹ Consolidated Planning Grant is utilized to merge funds from the FTA Metropolitan Planning Program and State Planning and Research Program with FHWA Planning funds into a single consolidated planning grant.

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

RESULTS OF REVIEW

We conducted an audit of River to Sea TPO with the following objectives:

1. Determine if the River to Sea TPO's written accounting policies and financial management procedures and processes are in accordance with the federal regulations, state statutes, and Department policies and procedures.
2. Determine whether River to Sea TPO's invoices and expenses are in accordance with federal regulations, state statutes, and Grant Agreement (Agreement) G2798.

Finding 1 – Compliance of Written Policies and Procedures

We determined River to Sea TPO's current written accounting policies and procedures are in accordance with federal regulations, state statutes, Department policies and procedures.

River to Sea TPO's policies and procedures were tested against the following criteria:

- Title 2, Part 200.302(a), Code of Federal Regulations (C.F.R)-Financial Management;
- 2 C.F.R. 200.303(a)-Internal Controls;
- Section 215.86(2), Florida Statutes, (F.S) (2020);
- Section 215.97(1)(a)(b), F.S. (2021); and
- State of Florida, Department of Transportation-Metropolitan Planning Organization Grant Agreement G2798.

The complete criteria used for this finding can be found in Attachment 1.

River to Sea TPO's accounting and financial management policies and agreements were reviewed for statutory criteria requirements, procedures to guide processes, and for language that addressed internal controls, in accordance with federal regulations, state statutes, Department policies, procedures, and grant agreement.

The following River to Sea TPO policies and procedures were reviewed and in compliance with federal and statutory criteria:

- River to Sea TPO Cash Receipts
- River to Sea TPO A/P Checks Run (Batch Package)
- River to Sea TPO A/R Reimbursement Packet Procedure
- River to Sea TPO Employee Handbook
- TPO Accounts Payable Checklist
- Unified Planning Work Program Fiscal Year (FY) 2022-24

There are no recommendations for this finding.

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

Finding 2 – Financial Management Controls

We determined that River to Sea TPO is compliant with the use of funds allocated and expended for allowable, reasonable, necessary, and allocable costs for Grant Agreement G2798 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. **We also determined** all three quarters were submitted within 90-days as required by the Agreement.

The criteria used to test River to Sea TPO's compliance with federal and state regulations and Department policies are as follows:

- 2 C.F.R 200.207-Specific Conditions;
- 2 C.F.R 200.401(a)-Application;
- 2 C.F.R. 200.402-Composition of costs;
- 2 C.F.R. 200.403(a)-Factors affecting allowability of costs;
- 2 C.F.R. 200.404-Reasonable costs;
- 2 C.F.R. 200.405(a)(1)(3)-Allocable costs;
- Section 215.971(1)(d), F.S. (2021);
- Section 215.97, F.S. (2021);
- Department MPO Program Management Handbook;
- State of Florida, Department of Transportation-Metropolitan Planning Organization Agreement G2798; and
- Specific Conditions Letter from District Five.

The complete criteria used for this finding can be found in Attachments 1 and 2.

Agreement G2798 indicates that the Department shall reimburse River to Sea TPO for costs incurred to perform services satisfactorily during a monthly or quarterly period in accordance with Scope of Work, Exhibit "A" and Section 11 (a) - Compensation and Payment. "Reimbursement is limited to the maximum amount authorized by the Department. Requests for reimbursement by the MPO shall include an invoice, an itemized expenditure report, and a progress report for the period of services being billed that are acceptable to the Department. The MPO shall use the format for the invoice, itemized expenditure report, and progress report that is approved by the Department. The MPO shall provide any other data required by FHWA or the Department to justify and support the payment requested."

District Five, Metropolitan Planning Liaison provided three quarters of invoices (nine invoice packages) for Agreement G2798 during the period of 7/1/2022 - 3/31/2023 totaling \$622,999.67. The nine invoices submitted for reimbursement included 14 of the 15 tasks from the UPWP. The 14 tasks were: General Administration & Program Support, Information Technology Systems & Website Support, Public Involvement & Community Transportation Survey, Program Development, Transportation Improvement Program Development, Transportation Data Information Management, State & Regional

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

Planning and Coordination, Transfer to Metroplan Orlando-Annual Allocation for CFMO Alliance, ITS/Traffic Operations/Safety Project Feasibility Studies, General Planning Studies and Initiatives, 2045 Long Range Transportation Plan, Community Safety-Related Program, Bicycle/Pedestrian Planning & Implementation and Bicycle/Pedestrian Project Feasibility Studies.

We reviewed all nine invoices, totaling 137-line items which includes the 14 tasks on UPWP FY 2022-23. All invoice packages contained a signed invoice, an itemized expenditure report, and the required supporting documentation. We tested against the criteria and determined that each expense on the nine invoices was allowable, reasonable, necessary, and allocable in accordance with 2 C.F.R. 200.400, Subpart E.

Quarter 1 had 3 invoices submitted to the District by River to Sea TPO. Invoice 1 was filed prior to the end of the 90-day requirement. Invoice 2 was initially submitted within the 90-day requirement, but required reclassification of expenses and was returned for correction. Invoice 3 was submitted after the 90-day requirement due to River to Sea TPO going through circumstances beyond their control. The circumstances included:

- relocation of offices due to two hurricanes resulting in storm damage, relocation was finalized as of February 28, 2023;
- local midterm November elections resulting in the loss of seven board members, four were Executive Committee members and three were TPO Board Officers;
- annual single audit was being conducted by CPA firm James Moore; and
- amendment process for Long Range Transportation Plan requiring public input and comments.

We took these circumstances into consideration and noted that these events impacted River to Sea TPO's ability to submit their invoices. We concluded all invoices were submitted in compliance with Agreement G2798. **See Table 1**

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

Table 1 - G2798 Invoice Compliance

Quarter Period (FY)	MPO Invoice Reporting Period	Quarter End Month Due	Invoice Submitted (Inv. #)	Date Invoice Received by District Five	Quarterly Invoice Submittal Compliance
Quarter 1 (FY 22/23)	07/01/2022-07/31/2022	September 2022	Yes (#1)	10/17/2022	Yes
	07/01/2022-08/31/2022		Yes (#2)*	01/03/2023	
	08/01/2022-09/30/2022		Yes (#3)	03/07/2023	
Quarter 2 (FY 22/23)	09/06/2022-10/31/2022	December 2022	Yes (#4)	03/07/2023	Yes
	10/07/2022-11/30/2022		Yes (#5)*	03/27/2023	
	10/02/2022-12/31/2022		Yes (#6)	03/31/2023	
Quarter 3 (FY 22/23)	11/30/2022-01/31/2023	March 2023	Yes (#7)*	05/01/2023	Yes
	01/04/2023-02/28/2023		Yes (#8)	05/30/2023	
	02/01/2023-03/31/2023		Yes (#9)	06/20/2023	
* Invoice was revised					

Source: River to Sea TPO invoices submitted to District Five

Specific Conditions

District Five's MPO Liaison issued a Specific Conditions letter to River to Sea TPO in November 2021 for the following reasons: the TPO's Financial Manager submitted their resignation and River to Sea TPO did not have a permanent Executive Director and an Interim Director is in place until a new hire is identified. The requirements as outlined in the letter state:

- 2 CFR 200.207(b)(3): Requiring additional, more detailed financial reports.
- The MPO Agreement requires MPO to submit invoices to FDOT on a quarterly or monthly basis. Invoices are due to the district within 90 days after the end of the reporting period, and final reports are due 90 days after the end of the second year of the two-year UPWP.
- At a minimum, the invoice package shall include:
 - An invoice, using the required format.
 - An itemized expenditure report, with charges reflected in the 90-day invoicing period.
 - A progress report.

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

A copy of the Specific Conditions Letter can be found in Attachment 2.

River to Sea TPO hired an Executive Director and an accounting/office manager. The District worked with the new staff to provide technical support to ensure the provisions of the contract were met.

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

APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to determine if River to Sea Transportation Planning Organization (TPO) has written accounting policies and financial management procedures that are in accordance with federal regulations, state statutes, and Department policies and procedures. Additionally, to determine whether River to Sea TPO invoices and expenses are in accordance with federal regulations, state statutes, and Grant Agreement G2798.

The **scope** of this audit was Grant Agreement G2798 FYs 2022-23 and 2023-24.

The **methodology** included:

- Review of statutes, rules, regulations, policies, and procedures.
- Documentation reviews:
 - Department MPO Program Management Handbook;
 - State of Florida, Department of Transportation, Metropolitan Planning Organization Agreement G2798 invoice packages and supporting documentation;
 - Single Audit Reports for River to Sea TPO for 2019, 2020, and 2021;
 - Uniform Planning Work Program for Grant G2798 (FYs 2022-24);
 - River to Sea A/R Reimbursement Packet Procedure;
 - River to Sea TPO A/P Checks Run (Batch Package);
 - River to Sea TPO Cash Receipts;
 - River to Sea TPO Accounts Payable Checklist; and
 - River to Sea TPO Employee Handbook.
- Interviews with staff members:
 - Department, District Five Staff; and
 - River to Sea TPO Staff.

Office of Inspector General
Florida Department of Transportation

APPENDIX B – Affected Entity Response



CEN 2024-01

January 24, 2024

Ms. Jessica Mobley
Deputy Audit Director for Intermodal
Office of Inspector General
605 Suwannee Street, MS 44
Tallahassee, FL 32399

Dear Ms. Mobley:

The River to Sea Transportation Planning Organization is in receipt of the Office of Inspector General’s draft 2023 audit of the River to Sea TPO’s accounting and financial management policies, procedures, and processes. We concur with the results and findings of the audit and do not have any formal comments. As discussed during the course of the audit and at the exit conference, the TPO recently transitioned through a change in leadership and key personnel and during this time we worked closely with FDOT District 5 staff to develop and implement an updated and improved invoicing process. Moving forward, we are committed to continuing these efforts.

We appreciate the time, effort, and considerations taken by your staff to complete this audit, specifically James Burke and Andrea Sistrunk.

Sincerely,

Colleen Nicoulin
Executive Director, River to Sea TPO

- c: James Burke, Office of Inspector General
- Andrea Sistrunk, Office of Inspector General
- Chris Cloudman, City of DeLand Mayor and TPO Chairperson
- Jonathan Scarfe, FDOT D5 MPO Liaison Administrator
- Mariel Lemke, River to Sea TPO Accounting Manager

Beverly Beach	DeBary	Flagler Beach	New Smyrna Beach	Palm Coast	South Daytona
Bunnell	DeLand	Flagler County	Oak Hill	Pierson	Volusia County
Daytona Beach	Deltona	Holly Hill	Orange City	Ponce Inlet	
Daytona Beach Shores	Edgewater	Lake Helen	Ormond Beach	Port Orange	

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

APPENDIX C – Management Response

On March 15, 2024, the OIG received the following email response from Donna Green, Statewide MPO Administrator: “Thank you River to Sea Transportation Planning Organization (TPO) and FDOT District Five MPO Liaison team for providing documentation to facilitate an expeditious audit of the Grant Agreement G2798. Your diligent efforts to maintain compliance of policies and procedures is a testament to your dedication to maintain the 3-C planning process. Your dedication is evidenced in a safe transportation system for facility users in Volusia and Flagler counties. Your efforts are applauded and appreciated.”

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

DISTRIBUTION

Responsible Manager:

Jennifer Fortunas, P.E., Director, Office of Policy Planning
Donna Green, Statewide MPO Administrator
Mike Neidhart, Metropolitan Planning Coordinator

Internal Distribution:

Jared Perdue, 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
Kim Holland, P.E., Assistant Secretary for Strategic Development
Rebekah Davis, General Counsel
V.Y. "Trey" Tillander III, P.E., Executive Director of Transportation Technology
John Tyler, P.E., District Five Secretary
Jack Adkins, Director of Transportation Development
Kellie Smith, District Planning & Environmental Administrator
Melissa McKinney, Transportation Planning Manager
Jon Scarfe, Planning Supervisor II

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
Chris Cloudman, River to Sea TPO Chairperson, Mayor DeLand
Colleen Nicoulin, Executive Director, River to Sea TPO
Mariel Lemke, Accounting Manager, River to Sea TPO

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

PROJECT TEAM

Engagement was conducted by:
James Burke, Auditor

Under the supervision of:
Andrea Sistrunk, Senior Audit Supervisor
Nicholas Cooper, 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.

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

ATTACHMENT 1 – Criteria: Additional Details for Findings 1 and 2

2 C.F.R. 200.207-Specific Conditions Based on the criteria set forth in 200.205 Federal awarding agency review of risk posed by applicants or when an applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a federal award, or failure to meet expected performance goals as described in 200.210. Information contained in a Federal award, or is not otherwise responsible, the Federal awarding agency or pass-through entity may impose additional specific award conditions as needed under the procedure specified in paragraph (b) of this section. (b) The Federal awarding agency or pass through entity must notify the applicant or non-federal entity as to (3) The nature of the action needed to remove the additional requirement, if applicable.

2 C.F.R. 200.302(a)-Financial Management Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

2 C.F.R. 200.303(a)-Internal Controls 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. These 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 and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

2 C.F.R. 200.305 Federal Payments: Guidelines Non-Federal entity must follow to ensure timely payments. Payments may not be withheld without specific condition including project objective noncompliance or indebtedness to the Federal Government. Use of OMB approved form is required when requesting advance payment or reimbursements on allowable expenditures.

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

2 C.F.R. 200.308 Revision of Budget and Program Plans: Deviations from approved budget, project scope, or objective must be reported and receive prior approval to include:

- change in project scope or objective;
- key personnel change (listed in application);
- disengagement from project over three months or 25% reduction in time devoted to project;
- inclusion of costs requiring prior approval; and
- transfer of funds budgeted for participant support cost.

2 C.F.R. 200.402-Composition of Costs The total cost of a federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits.

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

2 C.F.R. 200.404-Reasonable costs Outlines how reasonable costs should be determined. In determining reasonableness, consideration must be given to: 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. 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. 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(a)(1)(3)-Allocable Costs A cost is allowable 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. Is incurred specifically for the Federal award; 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.

2 C.F.R. 200.413-Direct Costs Direct cost can be identified by the specific final cost object or whose costs can be directly assigned to an activity. Direct costs that identify with the award rather than nature of goods or service involved is the determining factor to distinguish direct cost from indirect costs. This section provides guidance for the treatment of salaries, utilities, office space, etc.

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

23 C.F.R. 420.111-Documentation requirements Proposed use of FHWA planning and research funds must be documented by the State DOTs and subrecipients in a work program, or other document that describes the work to be accomplished, that is acceptable to the FHWA Division Administrator. Statewide, metropolitan, other transportation planning activities, and transportation RD&T activities may be documented in separate programs, paired in various combinations, or brought together as a single work program. The expenditure of PL funds for transportation planning outside of metropolitan planning areas under subsection 420.109(d) may be included in the work program for statewide transportation planning activities or in a separate work program submitted by the State DOT.

Subsection 215.971(1)(d), F.S. (2021) A subrecipient and recipient must expend funds only for allowable costs resulting from obligations incurred during the specified agreement period.

Subsection 215.97, F.S. (2021), Florida Single Audit Act (1) (a)(b) Establish uniform state audit requirements for state financial assistance provided by state agencies to nonstate entities to carry out state projects. Promote sound financial management, including effective internal controls, with respect to state financial assistance administered by nonstate entities. Promote audit economy and efficiency by relying to the extent possible on already required audits of federal financial assistance provided to nonstate entities.

Subsection 215.86, F.S. (2020) Management systems and controls Each state agency and the judicial branch as defined in s.216.011 shall establish and maintain management systems and controls that promote and encourage compliance, economic, and efficient operations, reliability of records and reports, and safeguarding of assets. Accounting systems and procedures shall be designed to fulfill the requirements of generally accepted accounting principles.

Subsection 339.175(9), F.S. (2022)-Unified Planning Work Program Each M.P.O. shall develop, in cooperation with the department and public transportation providers, a unified planning work program that lists all planning tasks to be undertaken during the program year. The unified planning work program must provide a complete description of each planning task and an estimated budget therefore must comply with applicable state and federal law.

Florida Single Audit Act, Part Five, Control Activities Operating policies and procedures are clearly written and communicated. Adequate segregation of duties between performance, review, and record keeping.

Florida Single Audit Act, Part Five, I. Subrecipient Monitoring Monitoring–tracking system is established to assure timely submission of required reports (financial reports, performance reports, on-site monitoring).

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

MPO Handbook 3.10 MPO Invoicing: The MPO Agreement requires MPOs to submit invoices to FDOT on a quarterly or monthly basis. At a minimum, the invoice package shall include an invoice (with the prescribed format), an itemized expenditure detail report, and a progress report.

MPO Handbook 3.10.2 Itemized Expenditure Detail Report: No prescribed format for itemized expenditure detail report but must reflect certain criteria (outlined in the Handbook).

MPO Handbook 3.10.3 Progress Report: Progress reports are to be used to monitor the implementation of the UPWP and must be accompanied by each invoice an MPO submits to the District.

Office of Inspector General
Florida Department of Transportation

ATTACHMENT 2 – Specific Conditions Letter



Florida Department of Transportation

RON DESANTIS
GOVERNOR

719 S. Woodland Blvd.
DeLand, FL 32720

KEVIN J. THIBAUT, P.E.
SECRETARY

November 1, 2021

Colleen Nicoulin
Interim Executive Director
River to Sea Transportation Planning Organization
2570 W. International Speedway Boulevard, Suite 100
Daytona Beach, FL 32114

Dear Ms. Nicoulin:

This letter is to inform you of the Florida Department of Transportation's (Department) concerns regarding the River to Sea Transportation Planning Organization (TPO)'s invoicing activities over the last fiscal year.

The Department would like to place the TPO on specific conditions noting the following reasons for the change:

- The Department has been notified that the TPO's Financial Manager has submitted their resignation and is no longer with the organization.
- The Department has been notified that the TPO is currently without a permanent Executive Director and an Interim Director is in place until a new hire is identified.

The Department's decision to place to the TPO on specific conditions will allow for the TPO to submit invoices for review and provide an extra layer of technical support while they work toward a more permanent staff setting.

The following are the specific conditions requirements in accordance with state statutes:

- 2 CFR 200.207(b)(3): Requiring additional, more detailed financial reports.
- The MPO Agreement requires MPOs to submit invoices to FDOT on a quarterly or monthly basis. Invoices are due to the district within 90 days after the end of the reporting period, and final reports are due 90 days after the end of the second year of the two-year UPWP.
- At a minimum, the invoice package shall include:
 - An invoice, using the required format.
 - An itemized expenditure report, with charges reflected in the 90day invoicing period.
 - A progress report.

These conditions will begin with the next invoice period or November 1, 2021, whichever

Improve Safety, Enhance Mobility, Inspire Innovation
www.fdot.gov

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

is earlier. Once the TPO has billed in a timely manner and without rejection for at least four invoice cycles, the Department will revisit these conditions and evaluate removing the additional requirements imposed.

All information set in the specific conditions should be sent to the liaison group at D5-MPOLiaisons@dot.state.fl.us. The Department stands ready to provide any technical assistance to the TPO if requested. Should you have any questions about the specific conditions above or need assistance please contact Anna Taylor at (386) 943-5499.

Sincerely,

DocuSigned by:
Anna Taylor
899FRZ1584EA411...

Anna Taylor
District 5 Government Liaison Administrator