



Florida Department of TRANSPORTATION

Office of Inspector General Kristofer B. Sullivan, Inspector General

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Audit Report No. 23I-013
Collier Metropolitan Planning Organization

December 22, 2023

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General conducted an audit of the Collier Metropolitan Planning Organization's (MPO) accounting and financial management policies, procedures, and processes. Additionally, we reviewed Grant Agreement (Agreement) G2821 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 Collier MPO's current written accounting policies and procedures are in accordance with federal regulations, state statutes, and Department policies and procedures.

We determined that Collier MPO is compliant with the use of funds allocated and expended for allowable, reasonable, necessary, and allocable costs for Agreement G2821 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 four invoices were submitted within 90-days as required by the Agreement.

What We Recommend

There are no recommendations.

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BACKGROUND AND INTRODUCTION

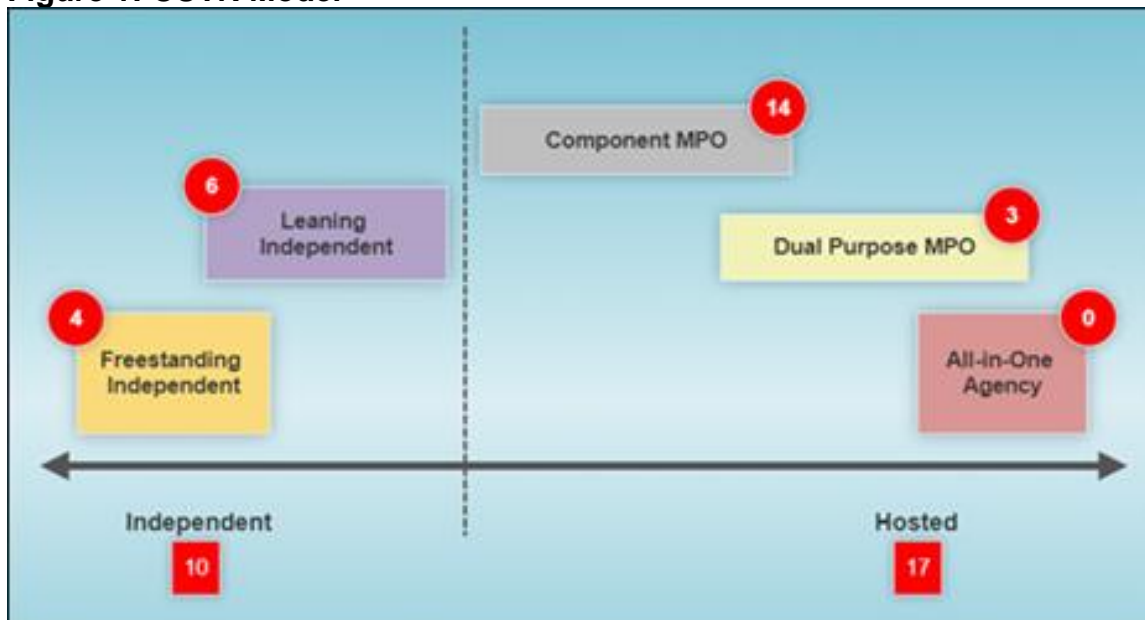
Metropolitan Planning Organizations

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; modified by the Office of Inspector General (OIG)

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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), 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.

The Collier Metropolitan Planning Organization (MPO)

The Collier MPO was established in 1982 following the Federal Highway Act which requires urbanized areas to develop transportation plans and programs as a condition to receive federal capital or operating assistance. The MPO is classified as a hosted, fully integrated agency led by an executive director. Collier MPO is currently governed by a nine-member board consisting of five Collier County Board of County Commissioners, two City of Naples Council members, one Everglades City Council member, and one City of Marco Island Council member. The Department is represented on the board as a non-voting member.

Collier MPO, located within District One, in Naples Florida, is responsible for the development and implementation of a balanced, integrated, and multimodal program that efficiently serves as the framework for transportation planning. The MPO's goal is to ensure that a continuing, comprehensive, and cooperative approach to planning for transportation needs is maintained and properly coordinated with other MPOs, the Department, and the Federal Highway Administration (FHWA). Additionally, Collier MPO has an interlocal agreement¹ with Lee County MPO.

¹ Interlocal agreements allow for local governments to collaborate with other localities for mutual benefit, making the most efficient use of their powers possible. This agreement enables them to provide services and facilities in a way that best suits their forms of governmental organization and other factors that influence local communities' needs and development.

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Collier MPO's Relationship with the Department

The Department works closely with all 27 MPOs throughout the State of Florida. The Department provides both technical support via District MPO liaisons and financial support as a pass-through entity for federal funds. The liaison is responsible for ensuring compliance with both federal regulations and state statutes. Through the Consolidated Planning Grant², the FHWA and the Federal Transit Administration (FTA) annually deliver lump sum appropriations to the Department to allocate to MPO's for metropolitan planning activities. Collier MPO and the Department executed an agreement on June 7, 2022, for Agreement G2821. 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 UPWP and the Collier MPO's budget, will be undertaken and completed. For this audit, Agreement G2821 was selected for review and is budgeted for \$1,906,648.00.

² A Consolidated Planning Grant is utilized to merge funds from the FTA Metropolitan Planning Program and the State Planning and Research Program with FHWA Planning funds into a single consolidated planning grant.

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RESULTS OF REVIEW

We conducted an audit of Collier MPO with the following objectives:

Objective 1: Determine if Collier MPO's written accounting policies and financial management procedures and processes are in accordance with the federal regulations, state statutes, and Department policies and procedures.

Objective 2: Determine whether Collier MPO's invoices and expenses are in accordance with federal regulations, state statutes, and Agreement G2821.

Finding 1 – Compliance of Written Policies and Procedures

We determined that Collier MPO's written accounting policies and procedures are in accordance with federal regulations, state statutes, and Department policies and procedures.

Collier MPO'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)-(d) - Internal Controls;
- 2 C.F.R. 200.415(a) - Required Certifications;
- Section 163.01(1)-(2), Florida Statutes (F.S.), (2009) - Florida Interlocal Cooperation Act;
- Section 215.86(2), F.S., (2020) Management systems and controls;
- Section 215.97(1)(a)(d), F.S., (2021) Florida Single Audit Act;
- Section 339.175(9), F.S., (2022) Unified Planning Work Program; and
- State of Florida, Department of Transportation Metropolitan Planning Organization Agreement G2821.

The complete criteria can be found in Attachment 1.

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

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The following Collier MPO policies and procedures were reviewed and are in compliance with federal and statutory criteria.

- Collier MPO Grant Management and Financial Management Policies and Procedures;
- Collier County Standard Operating Process Manual;
- Collier MPO Quality Assurance Checklist;
- Collier MPO Chart of Accounts;
- Collier MPO Training Plan for accounts receivable and payable;
- Collier MPO Succession Plan;
- Collier County Manager Agency Manual (CMA 5330);
- Collier County Fleet Management system (CMA 5204); and
- Collier County Motor Pool rental charge guidelines.

There are no recommendations for this finding.

Finding 2 – Financial Management Controls

We determined that Collier MPO is compliant with the use of funds allocated and expended for allowable, reasonable, necessary, and allocable costs for Agreement G2821 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 four invoices were submitted within 90-days as required by the Agreement.

The criteria used to test Collier MPO's compliance with federal and state regulations and Department policies are as follows:

- 2 C.F.R. 200.305(b) Payment;
- 2 C.F.R. 200.328 Financial Reporting;
- 2 C.F.R. 200.405(a)(1)(3) Allocable Costs;
- 2 C.F.R. 200.415(a) Required Certifications;
- Section 215.971(1)(d), Florida Statutes, (2021);
- Department MPO Program Management Handbook;
- Collier County's County Management Agency Grant Coordination Handbook; and
- State of Florida, Department of Transportation Metropolitan Planning Organization Agreement G2821.

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

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Agreement G2821 specifies that the Department shall reimburse Collier MPO 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."

Collier MPO provided four invoice packages for fiscal year 2022-23, all invoice packages contained a signed invoice, an itemized expenditure report, and the required supporting documentation. We reviewed all invoice packages which included 634 line-item expenses totaling \$422,334.92. We tested against the criteria and determined that each expense on the four invoices was allowable, reasonable, necessary, and allocable in accordance with 2 C.F.R. 200.400, Subpart E. All invoices were submitted within 90-days as required by the Agreement.

There are no recommendations for this finding.

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APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to determine if Collier Metropolitan Planning Organization (MPO) 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 Collier MPO's invoices and expenses are in accordance with federal regulations, state statutes, and Agreement G2821.

The **scope** of this audit is Agreement G2821 FYs 2022-23 and 2023-24.

The **methodology** included:

Review of statutes, rules, regulations, Department policies, and procedures:

Documentation reviews:

- Collier MPO Grant Management and Financial Management Policies and Procedures;
- Checklist created by the Collier County Grants Compliance Office for invoice reimbursement;
- Collier MPO Quality Assurance Checklist;
- Collier MPO Chart of Accounts;
- Collier MPO Succession Plan;
- Collier County Standard Operating Process Manual;
- Collier County Procurement Manual Rev.3.0;
- Collier County Manager Agency Manual - CMA 5330;
- Collier County Fleet Management System - CMA 5204;
- Collier MPO Invoice packages, progress reports, expenditure report, and supporting documentation;
- Department MPO Program Management Handbook;
- State of Florida, Department of Transportation, Metropolitan Planning Organization Agreement G2821; and
- Collier MPO Single Audit Reports 2020, 2021, and 2022;

Interviews with staff members:

- Department, District One Staff;
- Collier MPO Staff; and
- Collier County Staff.

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APPENDIX B – Affected Entity Response

On December 20, 2023, the OIG received an email response from Anne McLaughlin, Executive Director, Collier MPO, stating the acceptance of, and concurrence with, the Draft Audit Report findings.

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APPENDIX C – Management Response

On December 21, 2023, the OIG received an email response from Mike Neidhart, Metropolitan Planning Administrator, stating the Office of Policy and Planning did not have any comments regarding the findings in the report.

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DISTRIBUTION

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Anne McLaughlin, Executive Director, Collier Metropolitan Planning Organization

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PROJECT TEAM

Engagement was conducted by:
Cory Barker, Auditor

Under the supervision of:
Andrea Sistrunk, 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.

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ATTACHMENT 1 – Criteria Summaries

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)-(d)-Internal Controls Non-Federal entity is responsible for:

- (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.
- (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

2 C.F.R. 200.305(b)-Federal Payments: For Non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. See also § 200.302(b)(6). Except as noted elsewhere in this part, Federal agencies must require recipients to use only OMB-approved, governmentwide information collection requests to request payment.

2 C.F.R. 200.328-Financial Reporting Unless otherwise approved by OMB, the Federal awarding agency must solicit only the OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead. This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.

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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. 200.415(a)-Required Certifications To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Section 163.01(1)-(2), Florida Statutes (2009)- Florida Interlocal Cooperation Act
(1) This section shall be known and may be cited as the "Florida Interlocal Cooperation Act of 1969." (2) It is the purpose of this section to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.

Section 215.86(1)-(5), Florida Statutes (2023)- Management systems and controls
Each state agency and the judicial branch as defined in s. 216.011 shall establish and maintain management systems and internal controls designed to:

- (1) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
- (2) Promote and encourage compliance with applicable laws, rules, contracts, and grant agreements.
- (3) Support economical and efficient operations.
- (4) Ensure reliability of financial records and reports.
- (5) Safeguard assets.

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Section 215.971(1)(d), Florida Statutes (2021)- Agreements funded with federal or state assistance. A subrecipient and recipient must expend funds only for allowable costs resulting from obligations incurred during the specified agreement period.

Section 339.175(9), Florida Statutes (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.

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.