



# Florida Department of TRANSPORTATION

Office of Inspector General  
Kristofer B. Sullivan, Inspector General

DocuSigned by:

*Kristofer B. Sullivan*

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July 3, 2024

Audit Report No. 24I-001

Suwannee Valley Transit Authority

## What We Did

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The Florida Department of Transportation's (Department) Office of Inspector General conducted an audit of Suwannee Valley Transit Authority (SVTA) accounting and financial management policies and processes. Additionally, we evaluated the financial management controls of Department funds to ensure invoices and expenses are in accordance with federal regulations, state statutes, Department guidelines, and Grant Agreements (Agreement) G2353 and G2704. The scope of this audit was Agreement G2353 and G2704 for FYs 2020-21 and 2022-23. This audit was conducted as a part of the fiscal year (FY) 2023-24 audit plan.

## What We Found

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**We determined** SVTA's written accounting policies and financial management procedures are in accordance with federal regulations, state statutes, and Department policies and procedures.

**We determined** SVTA's Agreement G2353 invoiced costs for the invoice period 12/1/2021–11/30/2022 are reasonable, based on actual costs, and adequately supported in accordance with state statutes, Department guidelines, and the Agreement. **We also determined** SVTA Agreement G2704 invoiced costs for the invoice period 5/1/2022 – 7/1/2022 are compliant with the use of funds allocated and expended for allowable, reasonable, necessary, and allocable costs 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 and Agreement Exhibit A.

**We determined** all twelve invoices for Agreement G2353 for the invoice period of 12/1/2021 – 11/30/2022 were not submitted in a timely manner as required by the Agreement, Section 10(c), and Exhibit B. **We also determined** the two invoices for Agreement G2704 for the invoice period of 5/1/2022 – 7/1/2022 were submitted timely within 90 days as required by the Agreement and Exhibit B.

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**What We Recommend**

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**We recommend** the Transit Office work with SVTA's management to ensure that invoices comply with the Department's regulations and standards.

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## **BACKGROUND AND INTRODUCTION**

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Public transit services provide essential linkages between different modes of transportation. The Florida Department of Transportation (Department) Transit Office consists of three sections (Grants and Procurement; Transit Operations; and Transit Planning), each of which has specific areas of responsibility. Transit services provide numerous opportunities to move people and goods through multiple modes including highways/streets, air, rail, sea, spaceports, and an ever-expanding deployment of bicycle and pedestrian facilities.

Transit grants subsidize the operational costs of transit agencies or enable vehicle purchases, unlike other grant programs (which typically support construction costs). To avoid operating deficits, many transit grantees combine multiple awards from different federal and state sources with revenues from programs administered by other state agencies (e.g., Transportation Disadvantaged or Medicaid). Some operational grants awarded by the department may fund specific routes for specific purposes, while others may subsidize the overall budget of the transit agency.

### **Suwannee Valley Transit Authority (SVTA)**

SVTA was initially formed in 1972 under a federal grant as a “seed project” by the Office of Economic Opportunity.<sup>1</sup> The SVTA was operated by the Suwannee River Economic Council and began operations in Columbia, Suwannee, Hamilton, and Lafayette counties with four 10-passenger vans and three school buses.

SVTA was officially named and created by an interlocal agreement on August 9, 1976, that consisted of Columbia, Hamilton, and Suwannee counties. The board consists of six members including two county commissioners from each of the counties represented. Board members are appointed by their perspective Board of County Commissioners.

### **SVTA’s Relationship with the Department**

SVTA’s primary source of funding comes from governmental assistance programs. The Florida Transportation Disadvantaged program fund allows riders who qualify to receive transportation at a minimal cost. Other funding sources include grants from commuter assistance, formula grants, and federal pass-through funds. A small portion of revenue comes from farebox<sup>2</sup> collections. Also, in accordance with the Inter-local Agreement that forms the SVTA, each county provides a modest revenue based on the county population. SVTA is located within the geographic location of the Department’s District Two and is assigned a Grant Manager who is responsible for the oversight of the pass-through funds to ensure compliance with federal and state statutes and regulations.

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<sup>1</sup> A federal agency established in 1964 as an independent agency and renamed the Community Services Administration in 1975. The agency was dismantled in 1981.

<sup>2</sup> Farebox collections are fares paid by riders into a boxlike device used to collect fares on a bus, subway, etc.

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SVTA had a total of eight active contracts during the scope of engagement. The two agreements under review are cost reimbursement grants: “Public Transportation Grant Agreement” (PTGA) (Agreement G2353) and PTGA (Agreement G2704). These agreements state the terms and conditions upon which Federal Transit Administration (FTA) and Department funds are to be disbursed and set forth the way deliverables and tasks will be undertaken and completed.

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**RESULTS OF REVIEW**

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We conducted an audit of SVTA with the following objectives:

1. Determine if the SVTA's written accounting policies and financial management procedures are in accordance with federal regulations, state statutes, and Department policies and procedures.
2. Determine whether SVTA's invoices and expenses are in accordance with federal regulations, state statutes, and Grant Agreements G2353 and G2704.

**Finding 1 – Compliance of Written Policies and Procedures**

**We determined** SVTA's written accounting policies and financial management procedures are in accordance with federal regulations, state statutes, and Department policies and procedures.

SVTA's accounting policies and financial management procedures 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 Agreements.

SVTA policies and procedures were tested against the following criteria:

- Title 2, Part 200, Code of Federal Regulation (C.F.R.)-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D-Post Federal Award Requirements, subsection 302 Financial management;
- 2 C.F.R. 200.303 (a)-(d) Internal Controls;
- Government Accountability Office's Standards for Internal Controls in the Federal Government (2014) (GAO Green Book);
- Section 215.86 Management System and Controls; and
- Section 215.97 Florida Single Audit Act;
- Agreement G2353 PTGA Grant Fully Executed 12.1.2021-Agreement; and
- Agreement G2704 PTGA Grant Fully Executed 3.10.2022-Agreement.

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

We reviewed the following documents to determine compliance:

- SVTA Procurement Policy;
- Quality Assurance Plan or Continuing Quality Improvement Plan;
- SVTA General Ledger Chart of Accounts with a Decoding Ledger;
- Training Plan and Succession Plan;
- Grant Management and Financial Management Software System;
- Job Titles and Responsibilities;

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- Financial Management Handbook Accounting Principles and Standards;
- Personnel Rules and Regulations;
- Live Oak Management Group LLC; and
- Sears Tile and Wood Flooring.

We also reviewed 3 prior audit findings from the 14I-9002 issue on 12/12/2015 and did not find any outstanding issues.

There are no recommendations for this finding.

### **Finding 2 – Financial Management Controls**

**We determined** SVTA's Agreement G2353 invoiced costs for the invoice period 12/1/2021–11/30/2022 are reasonable, based on actual costs, and adequately supported in accordance with state statutes, Department guidelines, and the Agreement. **We also determined** SVTA Agreement G2704 invoiced costs for the invoice period 5/1/2022 – 7/1/2022 are compliant with the use of funds allocated and expended for allowable, reasonable, necessary, and allocable costs 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 and Agreement Exhibit A.

The criteria used to evaluate financial management compliance with federal regulations, state statutes, and Agreements G2353 and G2704 are as follows:

- 2 C.F.R. 200.305 Federal Payments;
- 2 C.F.R. 200.308 Revision of Budget and Program Plans;
- 2 C.F.R. 200.405 Allocable Costs;
- 2 C.F.R. 200.413 Direct Costs;
- Section 215.86 Management System and Controls;
- Section 215.97 Florida Single Audit Act;
- Reference Guide for State Expenditures;
- Disbursement Handbook for Employees and Managers;
- Agreement G2353 PTGA Grant Fully Executed 12.1.2021-Agreement; and
- Agreement G2704 PTGA Grant Fully Executed 3.10.2022-Agreement.

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

District Two, Transit Coordinator provided invoice packages for the selected Agreements G2353 and G2704. The funding for Agreement G2353 was 100% state funds and Agreement G2704 consisted of 80% federal, 10% local, and 10% state funds.

During our site visit, an SVTA Grant Manager provided a review of the invoice process, chart of accounts, and general ledger. We determined that SVTA's accounting and financial processes are in accordance with their written methodology.

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**Agreement G2353**

Agreement G2353 consisted of all state funding and had a total of twelve invoices totaling \$50,000 at the time of the records request for the invoice period of 12/1/2021 – 11/30/2022. This Operating Assistance grant was used to pay salaries, fringe benefits, and other direct costs.

The Department shall reimburse the Agency for allowable costs incurred as described in Exhibit “A,” Project Description and Responsibilities. Agreement Section 10(c) states requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.

We tested the following supporting documents for compliance:

- Invoices;
- Payroll;
- Account Statements; and
- Canceled Checks.

We tested the salary, fringe benefit expenses, and supporting documentation for the twelve invoices charged to the Department. All line items were compliant with Sections 215.97, 215.86, and 341.051, F.S., and the Agreement. We also verified that the total amounts reflected on the invoice packages match the amounts in the Florida Accountability Contract Tracking System. SVTA’s funds were expended by the end of the Agreement terms on July 14, 2023.

**Agreement G2704**

Agreement G2704 consisted of 80% federal, 10% local, and 10% state funds and had a total of 2 invoices totaling \$107,621.12 at the time of the records request for the invoice period of 05/1/2022 – 07/1/2022. Section 5310 Capital Assistance grant funding was used to pay for contractual services of Agreement G2704.

The Department shall reimburse the Agency for allowable costs incurred as described in Agreement G2704 Exhibit “A”, Project Description and Responsibilities. Agreement Section 10(c) states requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.



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We tested the following supporting documents for compliance:

- Operating Invoice Form;
- Statement of Operations;
- Cancelled Checks; and
- Vendor Invoices.

We tested compliance for the two invoices charged to the Department and the supporting documentation submitted to the District for compliance with 2 C.F.R. 200, Subpart E, subsections 403, 404, and 405, and Agreement G2704 Exhibit A. All expenses for the two invoices were allowable as per 2 C.F.R. 200.403, reasonable as per 2 C.F.R. 200.404, allocable as per 2 C.F.R. 200.405, and necessary as per 2 C.F.R.200.405(a)(3) and the Agreement. We also verified that the total amounts reflected on the invoice packages match the amounts in the Florida Accountability Contract Tracking System. SVTA has a remaining balance of \$72,688.48, funds are to be expended by the end of the Agreement terms on March 31, 2024.

There are no recommendations for this finding.

### **Finding 3 – Invoice Timeliness**

**We determined** all twelve invoices for Agreement G2353 for the invoice period of 12/1/2021 – 11/30/2022 were not submitted in a timely manner as required by the Agreement, Section 10(c), and Exhibit B. **We also determined** the two invoices for Agreement G2704 for the invoice period of 5/1/2022 – 7/1/2022 were submitted timely within 90 days as required by the Agreement and Exhibit B.

The criteria used to evaluate invoice timeliness for the Agreements are as follows:

- Agreement G2353 PTGA Grant Fully Executed 12.1.2021-Agreement; and
- Agreement G2704 PTGA Grant Fully Executed 3.10.2022-Agreement.

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

#### **Agreement G2353**

The twelve invoices submitted for Agreement G2353 during the review period were not in compliance with the terms found in Exhibit “B”, Section C. The contract period for Agreement G2353 was from 12/1/2021 – 11/30/2023.

Agreement Exhibit B, Section C required SVTA to submit invoices for cost reimbursement on a monthly basis. See Table 1.

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SVTA faced challenges with invoicing due to understaffing at the start of 2020. Operating in a rural area made it difficult for the agency to attract the necessary talent, leading to delays in submitting invoices promptly.

The shortage of trained personnel resulted in reimbursement requests being delayed, potentially affecting funding for recipients and compliance with federal, state statutes, and Department guidelines.

**Agreement G2704**

The two invoices submitted for Agreement G2704 during the review period were in compliance with the terms found in Exhibit “B”. The contract period for Agreement G2704 was from 3/10/2022 – 3/31/2024.

Agreement G2704, Exhibit B states SVTA is required to submit invoices for cost reimbursement on a quarterly basis. Invoices for G2704 were submitted in a timely manner in accordance with Exhibit B.

**We recommend** the Transit Office work with SVTA’s management to ensure that invoices comply with the Department’s regulations and standards.

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**Table 1 – Invoice Compliance Period with G2353 Exhibit B**

| G2353 Monthly Invoice Submission |                |                          |                       |                  |                                       |   |
|----------------------------------|----------------|--------------------------|-----------------------|------------------|---------------------------------------|---|
| Invoice #                        | Invoice Amount | Invoice Period           | End of Billing Period | Invoice Due Date | Date Invoice Received by District Two | Number of Days Submitted After Due Date |
| G2353-1                          | \$1,398.07     | 12/01/2021<br>12/31/2021 | 12/31/2021            | 1/31/2022        | 1/24/2023                             | 358                                     |
| G2353-2                          | \$4,320.98     | 01/01/2022<br>01/31/2022 | 1/31/2022             | 2/28/2022        | 1/30/2023                             | 336                                     |
| G2353-3                          | \$4,752.20     | 02/01/2022<br>02/28/2022 | 2/28/2022             | 3/31/2022        | 2/3/2023                              | 309                                     |
| G2353-4                          | \$3,698.05     | 03/01/2022<br>03/31/2022 | 3/31/2022             | 4/30/2022        | 2/21/2023                             | 297                                     |
| G2353-5                          | \$4,378.70     | 04/01/2022<br>04/30/2022 | 4/30/2022             | 5/31/2022        | 3/7/2023                              | 280                                     |
| G2353-6                          | \$2,459.66     | 05/01/2022<br>05/31/2022 | 5/31/2022             | 6/30/2022        | 3/24/2023                             | 267                                     |
| G2353-7                          | \$1,662.27     | 06/01/2022<br>06/30/2022 | 6/30/2022             | 7/31/2022        | 4/18/2023                             | 261                                     |
| G2353-8                          | \$2,259.25     | 07/01/2022<br>07/31/2022 | 7/31/2022             | 8/31/2022        | 5/1/2023                              | 243                                     |
| G2353-9                          | \$4,281.87     | 08/01/2022<br>08/31/2022 | 8/31/2022             | 9/30/2022        | 5/15/2023                             | 227                                     |
| G2353-10                         | \$7,297.82     | 09/01/2022<br>09/30/2022 | 9/30/2022             | 10/31/2022       | 5/22/2023                             | 203                                     |
| G2353-11                         | \$10,095.58    | 10/01/2022<br>10/31/2022 | 10/31/2022            | 11/30/2022       | 6/12/2023                             | 194                                     |
| G2353-12                         | \$3,410.58     | 11/01/2022<br>11/30/2022 | 11/30/2022            | 12/31/2022       | 6/27/2023                             | 178                                     |

**Source:** Created by Auditor from SVTA invoices provided by District Two

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

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The **purpose** of this engagement was to evaluate the financial management controls of Department funds to ensure invoices and expenses are in accordance with federal regulations, state statutes, Department guidelines, and Grant Agreements (Agreement) G2353 and G2704.

The **scope** of this audit consisted of the Department Agreements G2353 and G2704 FYs 2020-21 and 2022-23.

The **methodology** included:

- A walkthrough of the SVTA invoicing process;
- Reviews of statutes, regulations, policies, and procedures:
  - (2 C.F.R. 200); and
  - Federal and State statutes.
- Documentation reviews:
  - Agreement G2353 invoices with supporting documentation for expenses billed to the Department
  - Agreement G2704 invoices with supporting documentation for expenses billed to the Department;
  - Single Audit Reports for SVTA for 2020, 2021, and 2022;
  - SVTA Procurement Policies and Procedures;
  - SVTA Financial Management Handbook Accounting Principles and Standards;
  - SVTA Personnel Rules and Regulations;
  - SVTA Financial Reports for 2020, 2021, and 2022.
- Interviews with staff members:
  - Department District Two Staff; and
  - SVTA Staff.

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**APPENDIX B – Affected Entity Response**

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**SUWANNEE VALLEY TRANSIT AUTHORITY**

**1907 VOYLES STREET, SW**

**LIVE OAK, FL 32064**

**(386) 362-5332**



**Suwannee Valley Transit Authority Response to Office of Inspector General Audit**

**Audit Report No. 241-001**

**June 7, 2024**

Suwannee Valley Transit Authority (SVTA) is providing a written response to all findings in audit report 241-001.

**Finding 1 — Compliance of Written Policies and Procedures**

SVTA continues monitoring federal regulations, state statutes, and Department policies and procedures to ensure we follow all requirements. SVTA reviews all policies and procedures on an annual basis.

**Finding 2 — Financial Management Controls**

SVTA is resolute in its adherence to all federal regulations, state statutes, and Department policies and procedures. In response to the audit findings, we have implemented a robust check-and-balance system to strengthen our compliance efforts further.

**Finding 3 — Invoice Timeliness**

SVTA fell short-staffed in the finance department during the COVID pandemic and then had to undergo training in the grant process once staff was hired. During this audit, SVTA was educated that we may submit more than one grant at a time to FDOT for reimbursement or ask for an extension if one is needed for monthly submission for reimbursement. SVTA is currently caught up on grant reimbursement and does not foresee issues in the future. We are working more closely with FDOT to ensure that we each assist in the timeliness of submissions.

We appreciate OIG's report and are always willing to educate ourselves to make our agency the best it can be.

Regards,

Monica Marquardt

Deputy Finance Manager

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**APPENDIX C – Management Response**

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On June 25, 2024, the OIG received the following response from Erin Schepers, Transit Grants and Finance Administrator:

**Finding 1 – Compliance of Written Policies and Procedures**

**Finding:** We determined SVTA’s written accounting policies and financial management procedures are in accordance with federal regulations, state statutes, and Department policies and procedures.

**Recommendation:** There are no recommendations for this finding.

**Response to Finding:** We concur with the finding and recommendation.

**Corrective Action:** N/A

**Estimated Completion Date:** N/A

**Finding 2 – Financial Management Controls**

**Finding:** We determined SVTA’s Agreement G2353 invoiced costs for the invoice period 12/1/2021–11/30/2022 are reasonable, based on actual costs, and adequately supported in accordance with state statutes, Department guidelines, and the Agreement. We also determined SVTA Agreement G2704 invoiced costs for the invoice period 5/1/2022 – 7/1/2022 are compliant with the use of funds allocated and expended for allowable, reasonable, necessary, and allocable costs 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 and Agreement Exhibit A.

**Recommendation:** There are no recommendations for this finding.

**Response to Finding:** We concur with the finding and recommendation.

**Corrective Action:** N/A

**Estimated Completion Date:** N/A

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**Finding 3 – Invoice Timeliness**

**Finding:** We determined all twelve invoices for Agreement G2353 for the invoice period of 12/1/2021 – 11/30/2022 were not submitted in a timely manner as required by the Agreement, Section 10(c), and Exhibit B. We also determined the two invoices for Agreement G2704 for the invoice period of 5/1/2022 – 7/1/2022 were submitted timely within 90 days as required by the Agreement and Exhibit B.

**Recommendation:** We recommend the Transit Office work with SVTA's management to ensure that invoices comply with the Department's regulations and standards.

**Response to Finding:** We concur with the finding; however, an alternative correction will be taken.

**Corrective Action:** Staff turnover led to SVTA's invoices not being submitted in a timely manner. The District realized the need to provide technical assistance and implement a tracking matrix that included invoice submittal dates, issue and email documentation. The tracking matrix enabled the reduction of errors and turnaround time. The technical assistance and tracking matrix began in January 2023 and resulted in the agency completing 34 invoices within a 9-month period.

With that said, Central Office Transit would like to explore alternative grant language related to the 30-day timeframe to submit an invoice after the service period has closed. Thirty days to complete a complex invoice with backup documentation is unrealistic. This exploratory process would entail meeting with the Comptroller's Office and Legal to determine if there is alternative language or if Exhibit B can be adjusted to accommodate a reasonable period of time to submit invoices.

**Estimated Completion Date:** December 31, 2024

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**DISTRIBUTION**

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**Responsible Manager:**

Melissa Smith, Chief of Modal Development  
Gabrielle Matthews, Manager, Public Transit Office  
Erin Schepers, Transit Grants and Finance Administrator

**Internal Distribution:**

Jared W. Perdue, P.E., Secretary, Department of Transportation  
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Rebekah Davis, General Counsel  
Trey Tillander, P.E., Executive Director of Transportation Technology  
Greg Evans, P.E., District Two Secretary  
    Robert Parks, P.E., Director of Transportation Development  
        James Knight, P.E., District Modal Development Administrator  
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            Christina Nalsen, Passenger Operations Specialist IV

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Teresa Fortner, Interim Administrator, Deputy Administrator, Suwannee Valley  
Transit Authority  
    Monica Marquardt, Deputy Finance Manager, Suwannee Valley Transit Authority



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**PROJECT TEAM**

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Engagement was conducted by:  
Melinda Coleman, Auditor

Under the supervision of:  
Barbara Brown-Walton, Deputy Audit Director for Intermodal  
Jessica Mobley, Director of Quality Assurance and Operations Support  
Joseph W. Gilboy, Director of Audit

Approved by:  
Kristofer B. Sullivan, Inspector General

**STATEMENT OF ACCORDANCE**

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The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to 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**

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The following criteria are summaries used for this engagement.

**2 C.F.R. 200.302 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 the 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. 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 or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with the U.S. Constitution, 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 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.

**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.

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**2 C.F.R. 200.405 Allocable Costs:** The standard to determine if a cost is allocable by examining if the goods or services were chargeable according to the benefit received. Allocation between two projects: Direct Cost allocation principles apply if a cost benefits two or more projects and the proportions are easily determined. The cost must be allocated based on the proportional benefit. If the costs cannot be easily determined, then the allocation may be based on any reasonable documented basis.

**2 C.F.R. 200.413 Direct Costs:** Direct cost can be identified by specific final cost object or whose costs can be directly assigned to an activity. Direct costs that identify with the award rather than the 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.

**Government Accountability Office's Standards for Internal Controls in the Federal Government (2014) (GAO Green Book):**

- 12.02 Management documents in policies the internal control responsibilities of the organization.
- 12.04 Management communicates to personnel the policies and procedures so that personnel can implement the control activities for their assigned responsibilities.
- 12.05 Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing risks. If there is a significant change in an entity's process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately.

**Section 215.86, F.S. (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 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.

**Section 215.97, F.S. Single Audit Act (2023):** Establishes uniform state audit requirements for State financial assistance provided by State agencies to non-State entities to carry out State projects.

**Agreement G2353 PTGA Grant Fully Executed 12.1.2021-Agreement:** This Public Transportation Grant Agreement is between the State of Florida, the Department of Transportation ("Department"), and SVTA ("Agency") to provide for the Department's participation in Operating Assistance to continue operating commuter service routes for residents of Columbia, Suwannee, and Hamilton counties.

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

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Contract Exhibits A- Project Description and Responsibilities, B- Schedule of Financial Assistance, D- Agency Resolution, E- Program Specific Terms and Conditions, F- Contract Payment Requirements, and G- Audit Requirements for Awards of Federal Financial Assistance.

**Agreement G2704 PTGA Grant Fully Executed 3.10.2022-Agreement:** This Public Transportation Grant Agreement is between the State of Florida, Department of Transportation (“Department”), and SVTA (“Agency”) to provide for the Department’s participation in the Capital assistance to support Suwannee Valley Transit Authority (SVTA) with resurfacing the transit facility parking lot, replacing the transit facility flooring, and installation of an open bus shelter.

Contract Exhibits A- Project Description and Responsibilities, B- Schedule of Financial Assistance, D- Agency Resolution, E- Program Specific Terms and Conditions, H- Audit Requirements for Awards of Federal Financial Assistance.

**Disbursement Handbook for Employees and Managers:** To provide guidance and information required for state disbursement, on the Department’s management of Standard Operating Procedures (SOP).

**Reference Guide for State Expenditures:** Provide state agencies guidance regarding the requirements applicable to the disbursement of funds from the State Treasury.