



Florida Department of Transportation
Office of Inspector General
Kristofer B. Sullivan, Inspector General

Report No. 25I-006

Jacksonville Port Authority

DocuSigned by:
Kristofer B. Sullivan
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October 14, 2025

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General conducted an audit of the Jacksonville Port Authority's (JAXPORT) accounting policies and financial management procedures and processes. Additionally, we evaluated selected grant invoices and expenses for compliance with applicable Florida Statutes, the Florida Administrative Code, and relevant Department policies and standard operating procedures. The scope of this audit was grant agreement G1V25 for Fiscal Years (FY) 2021 through 2025. This audit was conducted as part of the FY 2024-25 audit plan.

What We Found

We determined that JAXPORT's written accounting policies and financial management procedures comply with the applicable Florida Statutes, Florida Administrative Code, and relevant Department policies and standard operating procedures.

We determined the invoices for grant agreement G1V25 complied with contractual agreements and Department guidelines, invoiced allowable expenses, and were properly supported by adequate documentation. Additionally, invoices complied with applicable Florida Statutes and the Florida Administrative Code.

What We Recommend

We have no recommendations at this time, as we found the areas under review to be compliant with our audit objectives.

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BACKGROUND AND INTRODUCTION

Seaports

The Florida Department of Transportation's (Department) Seaport Office oversees statewide port system planning, freight coordination, and infrastructure project management for Florida's 16 publicly owned seaports, shown in Figure 1.

Figure 1: Florida's 16 Seaports



Source: Department's Seaport Office <https://www.fdot.gov/seaport> 10.2025

Jacksonville Port Authority (JAXPORT)

JAXPORT, located in Duval County within District 2, encompasses approximately 1,590 acres and functions as a dependent special district of the City of Jacksonville. It was established under Chapter 63-1447, Laws of Florida, to operate as a local, public, and independent authority. Governance is provided by a seven-member Board of Directors, four appointed by the Mayor of Jacksonville and three by the Governor of Florida. As of May 2025, the Board is composed of the following members:

- Wendy Hamilton – Chair
- J. Palmer Clarkson – Vice Chair
- Soo Gilvarry – Treasurer

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- Tom Slater – Secretary
- Daniel Bean – Immediate Past Chair
- Patrick Kilbane – Member
- Charles F. Spencer – Member

JAXPORT's terminals include Blount Island, Dames Point, and Talleyrand for cargo operations. It also manages the JAXPORT Cruise Terminal, currently serving Carnival Cruise Line, with Norwegian Cruise Line set to begin operations in late 2025.

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RESULTS OF REVIEW

We conducted an audit of JAXPORT with the following objectives:

1. Determine if JAXPORT's written accounting policies and financial management procedures comply with applicable Florida Statutes, Florida Administrative Code, and relevant Department policies and standard operating procedures.
2. Determine whether invoices for the selected grants comply with contractual agreements and Department guidelines, include invoiced allowable expenses, are properly supported by adequate documentation, and comply with applicable Florida Statutes and Florida Administrative Code.

Finding 1 - Policies and Procedures Compliance

We determined that JAXPORT's written accounting policies and financial management procedures comply with the applicable Florida Statutes, Florida Administrative Code, and relevant Department policies and standard operating procedures.

The following criteria were used to determine JAXPORT's compliance with our audit objective:

- Subsection.215.97 (5)(c), (11)(a-d), Florida Statute (F.S.) Single Audit Act.
- Subsection 218.39 (3)(a)(c), F.S. Annual financial audit reports.
- Rule 14B-1.006, Eligible Port Funding Requirements, Florida Administrative Code.
- Grant agreement G1V25.

We reviewed the following financial and administrative documents provided by JAXPORT to assess compliance. The documents generally establish a framework for financial management, approval authorities, and outline payment and procurement procedures. Documents reviewed included:

- City of Jacksonville – Annual Comprehensive Financial Report (Single Audit) for Fiscal Year (FY) 2022 and 2023;
- Jacksonville Port Authority – Annual Financial Report (Single Audit) for FY 2021, 2022, and 2023;
- Employment, Procedures and Guidelines, Standard Operating Procedure (SOP) 1104;
- Management Policies & Procedures, SOP 1107;
- Jacksonville Port Authority Procurement (Procurement Code), SOP 1215;
- Payment of Goods and Services, SOP 1233;
 - Executed Signing Authority Matrix;
- Operating and Capital Budgets, Management Policy 37;
- Approval Authorizations, Management Policy 39;
- Accounts Payable Payment Process (Checks and Wires);

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- Grant Funded Invoice Approval, Recording, Tracking, and Reimbursement Process Flow;
- Accounts Payable Process Flow;
- Finance Department Org Chart; and
- Key Finance personnel and duties involved in the administration of grant agreement G1V25.

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

We have no recommendations at this time, as we found this area to be compliant.

Finding 2 - Financial Management Controls

We determined the invoices for grant agreement G1V25 complied with contractual agreements and Department guidelines, invoiced allowable expenses, and were properly supported by adequate documentation. Additionally, invoices complied with applicable Florida Statutes and Florida Administrative Code.

The following criteria were used to determine JAXPORT's compliance with our audit objective:

- Subsection 215.97 (5)(c), (11)(a-d), F.S. Single Audit Act.
- Subsection 215.971 (1)(d), F.S. Agreements funded with federal or state assistance.
- Subsection 311.07 (3)(b), F.S. Florida seaport transportation and economic development funding.
- Rule 14B-1.006, Eligible Port Funding Requirements, Florida Administrative Code.
- Florida Department of Transportation, Disbursements Handbook for Employees and Managers.
- Florida Department of Financial Services, Reference Guide for State Expenditures.
- Grant agreement G1V25.

We evaluated grant agreement G1V25 for compliance with financial management controls. This grant, totaling \$2,931,175, was awarded for the reconstruction and rehabilitation of a berth that had reached the end of its design life. The grant included 11 invoice packages covering work from 9 vendors and contractors. We reviewed all invoice packages for allowability of costs, adequacy of supporting documentation, and compliance with governing requirements.

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During our review, we identified four invoices, three within invoice package 4 and one in invoice package 5, that included \$9,659 in unallowable travel expenses submitted for reimbursement. Travel was not an eligible cost under the grant, as stated in Exhibit A. The unallowable expenses represented approximately 0.33% of the total grant amount.

Upon JAXPORT's notification of these unallowable expenses, JAXPORT's Senior Finance & Budget Administrator coordinated with District 2 personnel to correct the \$9,659 in travel expenses submitted for reimbursement. JAXPORT submitted a "zero amount" invoice, including a credit memo for the ineligible travel expenses and a new invoice for an equal amount of previously unreimbursed eligible expenses. This action ensured that only allowable costs were reimbursed under the terms of the grant agreement. We concluded the unallowable expenses identified were immaterial to the overall audit.

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

We have no recommendations at this time, as we found this area to be compliant.

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APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to:

- Determine if Jacksonville Port Authority’s (JAXPORT) written accounting policies and financial management procedures comply with applicable Florida Statutes, Florida Administrative Code, and relevant Department policies and standard operating procedures.
- Determine whether invoices for the selected grants comply with contractual agreements and Department guidelines, include invoiced allowable expenses, are properly supported by adequate documentation, and comply with applicable Florida Statutes and Florida Administrative Code.

The **scope** of this audit consisted of the grant agreement G1V25 with Jacksonville Port Authority for fiscal years (FYs) 2021-2025.

The **methodology** included:

- Reviews of statutes, regulations, policies, and procedures:
 - Florida Statutes;
 - Florida Administrative Code; and
 - relevant Department policies and standard operating procedures.
- Documentation reviews:
 - Single audit reports for JAXPORT for FYs 2021 to 2023, and the City of Jacksonville for FYs 2022 to 2023;
 - accounting policies and financial management procedures;
 - organizational structure, and job descriptions;
 - grant agreement G1V25, reimbursement invoices, associated records, supporting documentation, budget, and any associated amendments billed to District 2 and the Seaport Office; and
 - JAXPORT vendor Agreements and reports.
- Interviews with staff members:
 - Florida Department of Transportation District 2; and
 - Jacksonville Port Authority.

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APPENDIX B – Affected Entity Response



September 26, 2025

Via Electronic Mail (barbara.brown-walton@dot.state.fl.us)

Barbara Brown-Walton
Deputy Audit Director
Florida Department of Transportation
605 Suwannee Street, MS 44
Tallahassee, FL 32399-0450

Subject: Acknowledgement of Grant Program G1V25 Audit Findings

Dear Barbara Brown-Walton and team:

JAXPORT acknowledges and accepts the findings and results of the Grant Program G1V25 audit, and your comprehensive review of our accounting policies, procedures, and processes. As indicated in the report, there are no recommendations, and as such, we have no additional comments.

We remain fully committed to the responsible and transparent management of grant funding entrusted to us in support of our mission to drive job creation, foster economic growth, and advance the interests of the State of Florida.

We sincerely appreciate the comprehensive and professional review conducted by the Florida Department of Transportation's Office of Inspector General. The audit process was highly valuable to our team, providing critical insights that have further strengthened our internal controls, oversight mechanisms, and overall accountability.

Sincerely,


Eric B. Green
Chief Executive Officer

CORPORATE HEADQUARTERS | 2831 TALLEYRAND AVENUE, JACKSONVILLE, FL 32206
JAXPORT.COM

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APPENDIX C – Management Response



SEAPORT OFFICE
605 Suwannee Street
Tallahassee, Florida 32399
co-seaport@dot.state.fl.us
(850) 414-4551

October 6, 2025

RE: OIG Assignment 25I-006 – Jacksonville Port Authority, P&T Report, Response Request

Mr. Joseph Gilboy
Director of Audit
Office of Inspector General
605 Suwannee Street
Tallahassee, Florida. 32399

Dear Mr. Gilboy,

The FDOT Seaport Office acknowledges receipt of audit report (25I-006) and accept its findings and recommendations. We appreciate the thoroughness and professionalism demonstrated throughout the audit process. The insights provided are valuable in helping us strengthen our internal controls and improve operational efficiency.

Please contact Lauren Rand, Manager of the Seaport Office, at lauren.rand@dot.state.fl.us or (850) 414-4551 with any questions.

Sincerely,

Lauren Rand

Lauren Rand
Manager, Seaport Office

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Joey "Patrick" Greive, Chief Financial Officer, Jacksonville Port Authority
Mike McClung, Senior Director, Finance, Jacksonville Port Authority
Brenda Dewitt, Senior Finance & Budget Administrator, Jacksonville Port Authority

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PROJECT TEAM

Engagement was conducted by:
Rebecca Stremcha, Auditor

Under the supervision of:
Nicholas Cooper, Senior Audit Supervisor
Barbara Brown-Walton, 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' *Global Internal Audit Standards*.

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

The following criteria were used for this engagement:

Section 215.97, Florida Statute (F.S.) Single Audit Act (2024): Establishes uniform state audit requirements for State financial assistance provided by State agencies to non-State entities to carry out State projects.

Subsection 215.971 (1)(d), F.S. Agreements funded with federal or state assistance (2024):

(1) An agency agreement that provides state financial assistance to a recipient or subrecipient, as those terms are defined in s. 215.97, or that provides federal financial assistance to a subrecipient, as defined by applicable United States Office of Management and Budget circulars, must include all of the following:

(d) A provision specifying that a recipient or subrecipient of federal or state financial assistance may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period.

Subsection 218.39 (3)(a)(c), F.S. Annual financial audit reports (2024):

(3)(a) A dependent special district, excluding a community redevelopment agency with revenues or a total of expenditures and expenses in excess of \$100,000, as reported on the trust fund financial statements, may provide for an annual financial audit by being included in the audit of the local governmental entity upon which it is dependent. An independent special district may not make provision for an annual financial audit by being included in the audit of another local governmental entity.

(c) The financial audit of a dependent special district or of an independent special district, or the financial audit of a local governmental entity that includes the information of a dependent special district as provided in paragraph (a), shall separately include and specify the information required in s. 218.32(1)(e)2.-5.

Section 311.07, F.S. Florida seaport transportation and economic development funding (2024): Describes the amount of funding available to the FSTED program annually, where the funds will be kept, and what projects are eligible for funding.

Rule 14B-1.006, Eligible Port Funding Requirements, Florida Administrative Code (2016): Describes the requirement for program funds to be expended only on eligible costs and defines eligible costs.

Grant Agreement G1V25, executed 03/03/2021: This Public Transportation Grant Agreement (“Agreement”) is between the State of Florida, Department of Transportation, (“Department”), and Jacksonville Port Authority, (“Agency”). The purpose of this Agreement is for the Department’s participation in Talleyrand Marine Terminal Cargo Improvements Initiative, to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided.

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- **Grant Agreement G1V25, Section 11, General Requirements. Part F: Agency Compliance with Laws, Rules, and Regulations, Guidelines, and Standards.** The Agency shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.
 - **Contract Exhibits** A-Project Description and Responsibilities, B-Schedule of Financial Assistance, C-Terms and Conditions of Construction, D-Agency Resolution, E- Program Specific Terms and Conditions-Seaports (See outlined information below), F-Contract Payment Requirements: Florida Department of Financial Services, Reference Guide for State Expenditures Cost Reimbursement Contracts, and G-Audit Requirements for Awards of State Financial Assistance.
 - **Exhibit E, Program Specific Terms and Conditions-Seaports, Part B, Required Documents.:** The documents listed below, as applicable, are required to be submitted to the Department by the Agency in accordance with the terms of this Agreement:
 1. Quarterly Progress Reports provided within thirty (30) days of the end of each calendar year quarter, if requested by the Department.
 2. Electronic invoice summaries and backup information, including a progress report must be submitted to the District Office when requesting payment.
 3. All proposals, plans, specifications, and third party contracts covering the Project.
 4. The Agency will upload required and final close out documents to the Department's web-based grant management system (e.g., SeaCIP.com).
 - **Exhibit E, Program Specific Terms and Conditions-Seaports, Part E, Construction Certification. (3):** The Agency hereby certifies, with respect to a construction-related project, that all design plans and specifications will comply with applicable federal, state, local, and professional standards, including but not limited to the following: **Department Requirements**, (a.) Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (Commonly Referred to as the "Florida Green Book")(b.) Manual on Uniform Traffic Control Devices.

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Florida Department of Transportation, Disbursements Handbook for Employees and Managers (02/20/2025): To provide guidance and information required for state disbursement, on the Department's management of Standard Operating Procedures (SOP).

Florida Department of Financial Services, Reference Guide for State Expenditures (10/2022): Provide state agencies guidance regarding the requirements applicable to the disbursement of funds from the State Treasury.

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