

OFFICE OF INSPECTOR GENERAL



ANNUAL REPORT 2022-2023

Kristofer B. Sullivan,
Inspector General

INSPECTOR GENERAL SUMMARY

Dear Secretary Perdue and Chief Inspector General Miguel,

On behalf of the Florida Department of Transportation's (FDOT) Office of Inspector General's (OIG) staff I am pleased to submit our Annual Report for the State fiscal year ended June 30, 2023. Our OIG team continues to work hard to meet our mission of providing independent and objective investigative and audit services that promote accountability, integrity, and efficiency for the Department and its partners.

Our Audit team provides assurance and consulting services to help ensure the efficiency and effectiveness of Department programs. The Audit team produced 34 products, including audits and reviews of contracts, grants, operational processes, and information technology. The team continued to conduct engagements, in coordination with the Governor's Chief Inspector General (CIG), specifically concerning cybersecurity. Additionally, the Audit team worked closely with Department functional areas to provide insights into other Department processes and operations.

Our Investigations team works to protect the Department's resources by deterring and detecting activities such as contract fraud and significant employee misconducts. We issued investigative products on topics such as conflict of interest, falsification of records, and employee misconduct. The Investigations teams received 203 inquires/complaints; opened 18 investigations; referred 112 complaints to management; and forwarded 73 complaints to other agencies.

Regarding the fraud and misconduct deterrence aspect of our mission, we conducted fraud awareness briefings statewide to Department employees and partners in the industry. Additionally, we presented to new employees, Professional Engineer Trainees, and to supervisor and management academies. We also refreshed our training and fraud hotline to focus on accountability, including how to identify and report fraud, waste, abuse, misconduct, or mismanagement.

The OIG team looks forward to continuing working with Department leadership and our statewide partners to help the Department meet its mission of providing a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of environment and communities.

Respectfully submitted,

DocuSigned by:

Kristofer B. Sullivan

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Kristofer B. Sullivan
Inspector General
September 30, 2023



OFFICE OF INSPECTOR GENERAL
ACCOUNTABILITY HOTLINE
Report Fraud, Waste, Abuse, Misconduct, or Mismanagement.

CALL US AT 1-800-255-8099 visit <https://www.fdot.gov/ig> for more information.

FDOT

TABLE OF CONTENTS

- 1 OIG Leadership
- 2 Mission, Vision, and Values
- 2 OIG Organizational Chart
- 3 Audit and Investigations Activity Overview
- 5 OIG 2022-23 Strategic Plan Summary
- 7 Defining Culture
- 8 Accountability and Fraud Awareness
- 9 Encouraging the Heart

AUDIT

- 10 Duties and Responsibilities
- 11 Audit Products by Program Area
 - 11 Finance & Administration
 - 14 Strategic Development
 - 15 Transportation Technology
 - 16 Engineering & Operations
 - 16 Other
- 17 Special Projects
- 18 Special Projects and Chief Inspector General
- 19 Significant Audit Recommendations and Six Month Status Updates
- 20 External Oversight Coordination Projects

INVESTIGATIONS

- 21 Duties and Responsibilities
- 22 Investigation Products by Program Area
 - 22 Engineering & Operations
 - 25 Finance & Administration
 - 26 Strategic Development

QUALITY ASSURANCE & OPERATIONS SUPPORT

- 27 Mission and Quality Assurance Activities
- 28 Training, Certifications, and Affiliations
- 29 OIG Staff Accomplishments
- 32 OIG Statutory Annual Report Requirements
- 33 Accountability Hotline

OIG LEADERSHIP

INSPECTOR GENERAL



KRISTOFER (KRIS) B. SULLIVAN, CIG, CIGI, CIA, CISA, CFE

Mr. Sullivan has served 26 years with the Department's Office of Inspector General. Mr. Sullivan was named Inspector General in August 2018. Prior to being named Inspector General, Mr. Sullivan served as the Department's Director of Audit for six years. Mr. Sullivan currently serves as President of the Florida Chapter of the Association of Inspectors General and previously served as the President of the Tallahassee Chapter of The Institute of Internal Auditors. Mr. Sullivan is Certified Inspector General, Certified Inspector General Investigator, Certified Internal Auditor, Certified Information Systems Auditor and Certified Fraud Examiner.

DIRECTOR OF AUDIT



JOE GILBOY, CIA, CGAP, CIG, CISA, CPM

Mr. Gilboy has over 31 years of service with the State of Florida including over 29 years of professional auditing experience. In August 2009, Mr. Gilboy was appointed as the Director of Audit for the Florida Department of State, Office of Inspector General. In October 2010, Mr. Gilboy joined the Department's Office of Inspector General as the Performance and IT Audit Manager. In 2018, Mr. Gilboy was selected as the Director of Audit. He is a graduate of Florida State University with a bachelor's degree in finance. He is a Certified Internal Auditor, Certified Government Auditing Professional, Certified Inspector General, Certified Information Systems Auditor, and a Certified Public Manager.

DIRECTOR OF INVESTIGATIONS



KIM LIKENS, MPA, CIG, CIGI, CFE, CPM

Mrs. Likens began her state career in 1996 at the Florida Department of Law Enforcement as a Crime Intelligence Analyst. From 2001 to 2007, Mrs. Likens worked as the Deputy Director of Investigations for the Chief Inspector General's Office in the Executive Office of the Governor. In 2008, she worked as a Background Investigator for the Portland Police Bureau, and in 2009, joined the Department's Office of Inspector General as an Investigator. In 2019, she was appointed as the Director of Investigations. Mrs. Likens is a graduate of Florida State University with a bachelor's degree in Criminology and a master's degree in Public Administration. She has earned the designations of Certified Inspector General, Certified Inspector General Investigator, Certified Fraud Examiner, and Certified Public Manager.

QUALITY ASSURANCE & OPERATIONS SUPPORT MANAGER



DEGRETA CORBIN, CPM, FCCM

Mrs. Corbin has over 37 years of experience with the State of Florida in the Administrative Management field. Mrs. Corbin started her role as Quality Assurance and Operations Support Manager with the Department's Office of Inspector General in January 2014. In past experience, she served in the administrative oversight capacity with multiple professions to include Banking, Health Care, Information Technology, State Fire Marshal, and Construction. Mrs. Corbin has her Certified Public Manager certification from the FSU School of Public Administration and Florida Certified Contract Manager from the Department of Management Services.

MISSION, VISION, AND VALUES

Mission

To provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

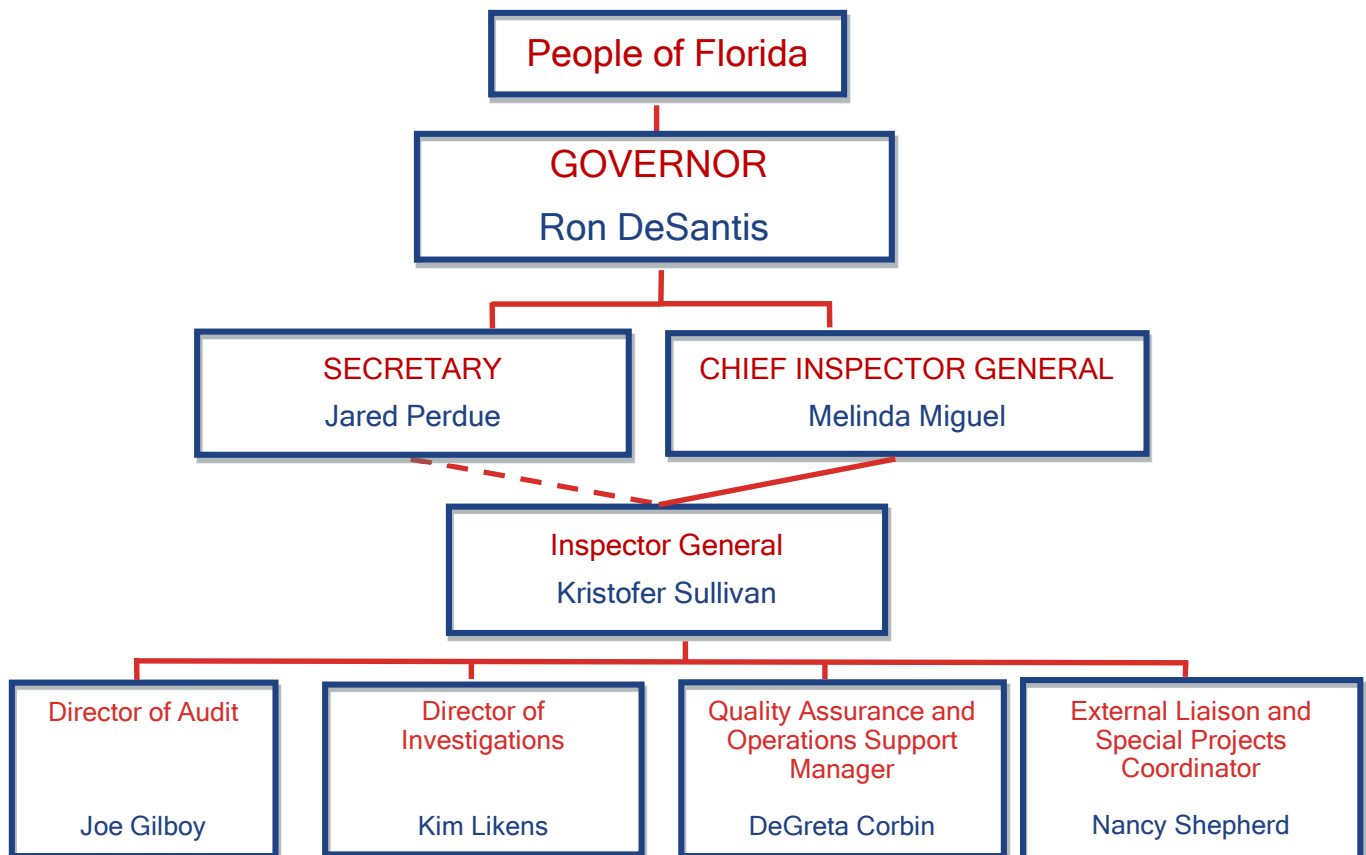
Vision

To be a model Office of Inspector General, leading through a culture of accountability, diversity, and optimal performance.

Values

To be "One" Office of Inspector General, be safe, be professional, be accountable, be effective communicators, be innovative, be technology oriented, be office environment aware, and be self-aware.

OIG ORGANIZATIONAL CHART



AUDIT ACTIVITY

34 PRODUCTS ISSUED

32 Audit Projects Carried Forward from FY 2021-22

44 New Projects for FY 2022-23

32 Work Plan Projects Initiated for FY 2022-23

6 Non-Work Plan Projects Initiated for FY 2022-23

1 CHIEF INSPECTOR GENERAL PROJECT

5 EXTERNAL AUDIT ACTIVITIES

2 SPECIAL PROJECTS

INVESTIGATIONS ACTIVITY

14 PRODUCTS ISSUED

9 Investigations Carried Forward from FY 2021-2022

3 Cases Worked Jointly with Law Enforcement

203 COMPLAINTS RECEIVED

112 Complaints Referred to Management

73 Complaints Referred to Outside Agencies

18 Cases Opened

22 Fraud Awareness Briefings Conducted

AUDIT AND INVESTIGATIVE ACTIVITIES COMPLETED

By District

	Audit Products	Investigation Products	Complaints Referred to Management	Total:
District 1	0	3	5	8
District 2	2	1	7	10
District 3	2	1	2	5
District 4	3	1	11	15
District 5	3	0	5	8
District 6	1	2	4	7
District 7	1	0	10	11
Florida Turnpike Enterprise	2	0	56*	58
Central Office	12	6	7	25
Statewide	7	0	5	12
Other	1	0	0	1
Total	34	14	112	160

By Program Area

*Primarily SunPass

	E & O	F & A	Strategic Development	Transportation Technology	Florida Turnpike Enterprise	Other	Total:
Audit	2	3	19	6	3	1	34
Investigations	8	5	1	0	0	0	14
Total	10	8	20	6	3	1	48

OIG 2022-23 STRATEGIC PLAN SUMMARY

In Fiscal Year 2022-23 the OIG monitored the Strategic Plan consisting of seven strategic areas, four of which directly related to the Department's Vital Few to Improve Safety, Enhance Mobility, Embrace Innovation, and Attract-Retain-Train Talent. The following is a summary of activities in each strategic area.

Improve Safety

The OIG contributed to the accountability, integrity, and efficiency of the Department's safety initiatives by linking 48% of our audits, investigations, and management reviews to the safety initiative, with 21% of those having recommendations based on the results.

We increased the safety knowledge within the OIG by covering safety topics at office meetings, keeping everyone current during hurricane season with alerts and notifications, monitoring the facility for any safety issues, and obtaining training from the Department's Safety Office. We conducted a survey of OIG staff members regarding their level of knowledge on safety and ensured all policy and procedures on safety were current and applicable.

Enhance Mobility

The OIG contributed to the accountability, integrity, and efficiency of the Department's mobility initiatives by linking 71% of our audits, investigations, and management reviews to the mobility initiative, with 39% of those having recommendations based on the results.

The OIG team continues to enhance a cooperative work environment to be conducive to the Department's mobility initiatives by having staff members participate on several Mobility Groups and attending project meetings regarding mobility issues throughout the Department. Staff actively participate on the American Association of State Highway and Transportation Officials (AASHTO) Internal Audit Practices Subcommittee.

Inspire Innovation

The OIG contributed to the accountability, integrity, and efficiency of the Department's innovation initiatives by linking 10% of our audits, investigations, and management reviews to the innovation initiative, with 24% of those having recommendations based on the results.

The OIG team monitors all internal OIG innovative ideas for status updates and/or decisions, as well as encourages staff to submit ideas. We also encourage staff to actively participate on joint groups/platforms to foster innovative ideas Department wide.

OIG 2022-23 STRATEGIC PLAN SUMMARY

Foster Talent

The OIG team develops, maintains, enhances, and implements plans that encompass the Attract-Retain-Train initiative. Through brainstorming and soliciting innovative ideas we have identified and implemented initiatives including changes to position advertising, teambuilding opportunities, staff recognition, and onboarding. Additionally, we have continued our internal OIG Mentoring Program.

Obtain Optimal Performance

The OIG strives to optimize our performance. We do this by meeting industry standards and continuously improving quality in our products. This past year we placed additional emphasis on cross training of staff and new employee development. We continue to track, review, and adjust project time as needed and conduct after-action reports for lessons learned.

Improve Leadership And Professional Growth Opportunities

The OIG believes in providing our team with opportunities for professional growth and improving our leadership capabilities by encouraging participation in internal and external projects, including Chief Inspector General projects and Department initiatives. In our annual internal survey of OIG staff, 88% responded they agree or strongly agree that they have opportunities for professional growth.

Enhance Internal And External Communications

The OIG team works to continuously improve internal and external OIG communications by meeting regularly with executive staff on project status; developing new awareness communications in the form of electronic post cards, “meet-and-greet” videos, and Accountability and Fraud Awareness Briefings; working with other agencies such as the Auditor General (AG) and the Office of Program Policy Analysis and Government Accountability (OPPAGA); and conducting internal training.

DEFINING CULTURE



In 2022, Department leadership initiated a series of workshops to emphasize Cultural Development Themes that contribute to an uplifting, positive, and supportive work culture. The first two workshops focused on five of the ten themes, including Communication, Relationships, Trust, Empowerment, and Accountability.

The Inspector General and other OIG team members are actively participating in this on-going initiative.

Specifically, the OIG, as part of the Accountability Team workgroup, helped curate an Accountability curriculum within the Department’s learning management system, Learning Curve. This multi-class curriculum contains Computer Based Training focused on guiding and informing staff how to become more accountable to themselves, their team, and the Department.

In addition to other efforts, this curriculum was advertised to Department employees through computer lock screens.

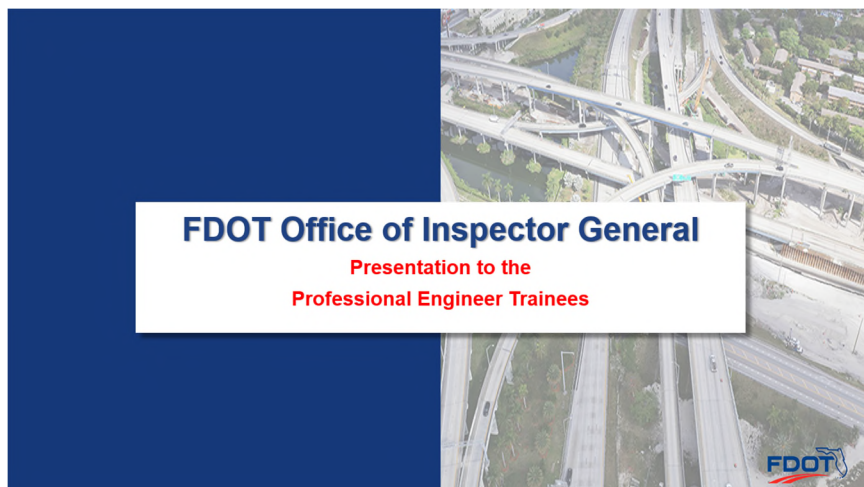
ACCOUNTABILITY AND FRAUD AWARENESS

The OIG makes a concerted effort to educate Department employees, contractors, consultants, and the public about accountability including recognizing and reporting fraud, waste, abuse, misconduct, or mismanagement.

We do this by:

- Presenting Accountability and Fraud Awareness Briefings in person and virtually.
- Presenting at the Department's Professional Engineer (PE) Training Program, Supervisor's Academy, and Construction Academy.
- Presenting at New Employee Orientation briefings.

Sessions	Attendees
Department Attendees (Statewide)	392
New Employee Orientation (Central Office only)	72
Supervisor's Academy	34
Construction Academy	42
Commission for Transportation Disadvantaged Staff	10
Professional Engineering Training Program	19
Total	569



ENCOURAGING THE HEART

In the Spring of 2023, the Office of the Inspector General implemented Encouraging the Heart awards to recognize OIG staff that have made a significant contribution that inspires, encourages, and through their actions, enhances the OIG workplace environment. Some of the requirements for this award are:

- The staff member's actions serve as an example which will encourage others around them to perform at a higher level;
- The staff member goes out of their way to recognize and celebrate the achievements and accomplishments of others; and
- The staff member's actions elevate others skillsets and inspire professional growth; and/or build a positive work environment.

The Inspector General presented an Encouraging the Heart award to two worthy individuals.



Misha Jordan, Senior Auditor

Misha envisioned, developed, and proposed adoption of the Encouraging the Heart award program. She also goes out of her way on a daily basis to check in with her colleagues and offer encouragement, whether verbally or in writing (such as a page from her desk calendar of affirmations, based on her sensitive perception of what each person might need or enjoy).



Anthony Jackson, Deputy Director of Investigations

Anthony is quick to recognize the efforts and accomplishments of others and truly cares about the development and growth of his team. Always humble, Anthony never seeks the spotlight for himself, rather, is always willing to shine the light on others, and their contributions.

AUDIT

The Audit Section's mission is to promote integrity, accountability, and process improvement by providing objective, timely, and value-added audit services.

Duties and Responsibilities

The Audit Section provides independent appraisals of the performance of Department programs and processes, including the appraisal of management's performance in meeting the Department's information needs while safeguarding its resources. They ensure costs proposed and charged to the Department through contracts and agreements with external entities are accurate, reasonable, and comply with applicable federal and state procurement regulations. The Audit Section follows the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc., or, where appropriate, in accordance with Generally Accepted Government Auditing Standards.

The Audit Section is comprised of the following units:

Contract Audit Unit

Contract Audit performs audits, examinations, and reviews to include agreed upon procedures and special analyses of contracts and agreements between the Department and external entities to ensure costs proposed and charged to the Department by consultants, contractors and other external groups are accurate, reasonable, and comply with applicable federal and state regulations.

Intermodal Audit Unit

Intermodal Audit performs audits and reviews to determine the allowability of costs associated with various activities including agreements between the Department and railroads, authorities, public transportation entities, and utility companies. Engagements related to rail labor additive rates and invoices; transportation, expressway and bridge authorities; seaport, airport, and transit grants; utility relocation costs; indirect cost allocation and fringe benefit rates; and various accounting services are performed by Intermodal Audit.

Performance and Information Technology Audit Unit

Performance and Information Technology Audit conducts performance audits and management reviews of organizational units, programs, activities, and functions in accordance with applicable professional standards. The term performance audit is used generically to include work classified as program evaluations, program effectiveness and results audits, economy and efficiency audits, operational audits, and value-for-money audits. The work of Performance and Information Technology Audit consists of performance audits, financial audits, performance measures assessment, risk assessment, information technology audits, computer forensic reviews, and data mining.

AUDIT

Audit Products by Program Area

Finance & Administration

22C-003, Embedded Data Collector (EDC) Limited Pre-award

The purpose of this consulting engagement was to determine if the proposed Embedded Data Collector (EDC) and related software rates were supported by cost documentation or prevailing market rates in accordance with Federal Acquisition Regulations 48 Code of Federal Regulation (CFR) 31.205-36, Rental Costs, to aid in establishing a Department approved standard Construction Engineering and Inspection pay item rate. This engagement resulted in a positive conclusion.

23C-004, Florida's Turnpike Enterprise Subsection 129 Financial Review



The purpose of this engagement was to determine if Florida's Turnpike Enterprise complied with Title 23 United States Code (U.S.C.), Highways, Chapter 1, Federal-Aid Highways, Section 129(a)(3)(A), Toll Roads, Bridges, Tunnels, and Ferries, Limitations on Use of Revenues. We determined the Florida Turnpike Enterprise's use of toll revenues complied in all material respects with the limitations set forth in Title 23, U.S.C., Section 129(a)(3)(A).

22C-006, Department Section 129 Financial Review

The purpose of this engagement was to determine if the Department complied with Title 23 United States Code (U.S.C.), Highways, Chapter 1, Federal-Aid Highways, Section 129(a)(3)(A), Toll Roads, Bridges, Tunnels, and Ferries, Limitations on Use of Revenues. We determined the Department's use of toll revenues complied in all material respects with limitations set forth in Title 23, U.S.C., Section 129(a)(3)(A).

22C-006-A, Department Value Pricing Pilot Program Financial Review

The purpose of this engagement was to determine if the Department complied with the Value Pricing Pilot Program. We determined the Department's use of toll revenues complied in all material respects with limitations set forth in the Value Pricing Pilot Program.

21I-006, Gainesville Metropolitan Transportation Planning Organization (MTPO)

The purpose of this engagement was to determine if Gainesville MTPO has submitted invoices to the District in accordance with federal and Department governing directives. This audit resulted in a positive finding and no recommendations. An opportunity for improvement was provided.

AUDIT

Finance & Administration (continued)

23I-008, Department FY 2023-24 Indirect Rate Review

At the request of the Office of Comptroller (OOC), the Department's Office of Inspector General reviewed the Department's proposed indirect cost allocation rates for future year 2023-24. The Office of Inspector General has traditionally performed this examination prior to the Department's submission of the proposed rates to the Federal Highway Administration (FHWA) for approval. We determined the underlying risk of miscalculated rates resulting in unallowable charges to federal grants did not justify a full examination prior to rate submission and recommended the OOC submit the rates to FHWA for review and approval.

23P-005, Department Human Resources Driver and Vehicle Information Database Attestation (DAVID)



The purpose of this engagement was to determine whether internal controls were in place to protect personal information obtained through the Department of Human Resources DAVID system, in accordance with the Data Exchange Memorandum of Understanding (MOU) with the Florida Highway Safety and Motor Vehicles (FLHSMV) and determine whether requirements of the MOU with FLHSMV were met. This engagement resulted in five positive determinations and an overall positive determination.

22P-011, Records Retention Audit

The purpose of this engagement was to determine if the Department has established compliant policies, procedures, and guidance in accordance with statutes, rules, and other state requirements for records retention; and if the governance structure of the Department's records retention program is sufficient to ensure compliance with applicable statutes, rules, and other state requirements. This engagement resulted in two positive findings and no recommendations.

22C-005-A, Audit of Direct Labor Cost Credits - Tetra Tech, Inc.

The purpose of this engagement was to conduct an Audit of Consultant Contract Labor Cost Credits (transfers) to determine if Tetra Tech, Inc's direct labor cost transfers are supported by the underlying accounting records and compliant with applicable Federal Acquisition Regulations (FAR) 31.202, Direct Costs, and Department policies. The FAR requires proper classification of direct and indirect labor costs. This audit resulted in a compliant finding.

AUDIT

Finance & Administration (continued)

Cognizant Review - CY 2021

22C-009, Carr, Riggs, & Ingram, LLC, (GAI Consultants, Inc.)

23C-002, Aldrich CPAs + Advisors LLP (CONSOR)

23C-001, D.L. Purvine, CPA, PLLC (WGI, Inc.)

The purpose of the above engagements was to determine whether the Indirect Cost Rate Audit conducted by the auditee was conducted in accordance with applicable auditing standards; and whether the Indirect Cost Rate Audit conducted by the auditee provided reasonable assurance the indirect cost rates were reasonable, allocable, and in compliance with applicable laws, rules, and regulations. None of these engagements contained recommendations and as a result the firms were found to be compliant with governing directives.

Duplicate Payments to Construction Engineering Inspection (CEI) Firms

20C-008-B, Metric Engineering

20C-008-E, Wood Environment & Infrastructures Solutions, Inc.

20C-008-F, Rummel, Klepper, & Kahl, LLP

20C-008-G, H.W. Lochner, Inc.

20C-008-H, HNTB Corporation

20C-008-I, Eisman & Russo

The purpose of the above engagements was to determine if invoiced non-labor direct project costs were excluded from the firm's direct expense and overhead rates were conducted in accordance per Federal Acquisition Regulations 31.201-2 and FAR 31.202, and the Department's governing directives. None of these engagements contained recommendations and as a result, the firms were found to be compliant with governing directives.

20C-008-A, Duplicate Payments to CEI Firms - GRL Engineering

The purpose of the above engagement was to determine if invoiced non-labor direct project costs were excluded from the firm's direct expense and overhead rates were conducted in accordance per Federal Acquisition Regulations 31.201-2 and FAR 31.202, and the Department's governing directives. This engagement had one recommendation as a result of a finding.

AUDIT

Strategic Development

221-004, Orlando Central Florida Regional Transportation Authority (LYNX)

The purpose of this engagement was to determine whether LYNX invoices and expenses are in compliance with federal regulations and contract criteria. This engagement resulted in a positive finding and no recommendations.

221-006, Rail Inspections

The purpose of this engagement was to evaluate if rail inspections are being conducted in compliance with federal regulations, state statutes, and Department policies. This engagement resulted in a positive finding and no recommendations.

231-001, CSX Transportation, Inc. (CSXT) - 2021 Indirect Rates



The purpose of this engagement was to determine whether CSXT's fiscal year 2021 indirect rates are reasonable, allowable, and adequately supported; and supporting records and procedures are transparent and readily understandable. We determined the costs associated with the rates submitted by CSXT are reasonable, allocable, and allowable for use in billing railroad-highway projects and recommended the Department's Freight and Rail Office review and approve the rates for use in billing costs for railroad-highway projects and communicate this decision to the Federal Highway Administration.

231-002, Florida East Coast (FEC) Railway - 2021 Indirect Rates

The purpose of this engagement was to determine whether FEC's calendar year 2021 indirect rates are reasonable, allocable, and based on allowable costs supported by transparent and understandable records. We determined that the indirect rates submitted by FEC were reasonable, allowable, and adequately supported, and supporting records and procedures were transparent and readily understandable and recommended the Department's Freight and Rail Office review and approve FEC's calendar year 2021 indirect cost rates for use in billing costs for railroad-highway projects and communicate this decision to the Federal Highway Administration.

 **Florida East Coast**
Railway

AUDIT

Strategic Development (continued)



22I-001, Broward Metropolitan Planning Organization (MPO)

The purpose of this engagement was to determine whether Broward MPO invoices and payments were made in accordance with the Federal Regulations and Florida Statutes, Broward MPO agreement, Memorandum of Understanding (MOU), and the Department's MPO Program Management Handbook. This engagement resulted in a positive finding and no recommendations.

22P-010, Performance Measures FY 2020-21

The purpose of this engagement was to meet the statutory requirement in Section 20.055 (2)(b), Florida Statutes (2021), to assess the validity and reliability of legislatively approved Department performance measures and make recommendations for improvements, if needed. It was determined that of the three performance measures reviewed, two performance measures were valid and reliable and one was not valid or reliable.

Transportation Technology

22P-007, Confidential and Exempt Data

The purpose of this engagement was to determine if the Department has policies and procedures in place to ensure the integrity of confidential and exempt electronic data; and determine if the Department is following established policies and procedures to ensure the integrity of confidential and exempt electronic data. Any audit findings and recommendations for corrective action related to this engagement are considered confidential and/or exempt from disclosure.

22P-009, Security of SharePoint Sites

The purpose of this engagement was to evaluate the security controls surrounding the Department's Microsoft SharePoint platforms and sites. Any audit findings and recommendations for corrective action related to this engagement are considered confidential and/or exempt from disclosure.

23P-003, Identity & Access Management Enterprise Cybersecurity Audit

In fiscal year 2022-23, our office participated in the Enterprise Cybersecurity Audit, led by the Office of the Chief Inspector General. The purpose of this engagement was to evaluate agency controls and compliance with Rule 60GG-2.003(1), Florida Administrative Code (F.A.C.), Identity Management, Authentication, and Access Control. Any audit findings and recommendations for corrective action related to this engagement are considered confidential and/or exempt from disclosure.

AUDIT

Engineering & Operations

20I-005, Flagler County Small County Road Assistance Program (SCRAP) / Small County Outreach Program (SCOP) Funding

The purpose of this engagement was to determine if Flagler County maintains management controls for timely invoicing and to identify unallowable costs. This engagement resulted in two findings and corresponding recommendations with corrective actions.

22I-007, City of Lake Worth Beach Local Agency Program (LAP)

The purpose of this engagement was to determine if the City of Lake Worth Beach's financial management procedures, processes, and documentation are in adherence to and maintained in accordance with Federal Regulations, State Statutes, and Department guidelines and Agreements. This engagement resulted in two positive findings and no recommendations.

22P-006, Nuclear Density Gauge Storage



The purpose of this engagement was to determine if the Department's storage of nuclear density gauges were in compliance with applicable laws, policies, and procedures. Any audit findings and recommendations for corrective action related to this engagement are considered confidential and/or exempt from disclosure.

Other

23P-001, Commission for the Transportation Disadvantaged (CTD) Driver and Vehicle Information Database Attestation (DAVID) Attestation

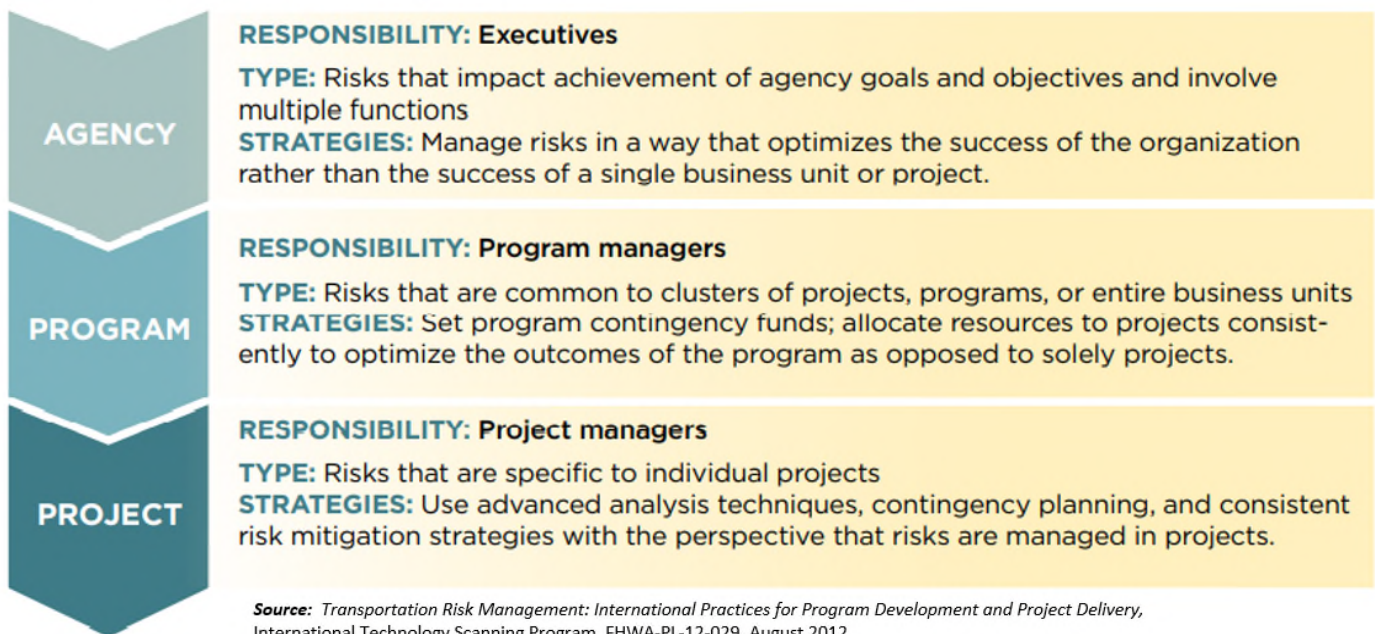
The purpose of this engagement was to determine whether internal controls were in place to protect personal information obtained through the DAVID system, in accordance with the Data Exchange Memorandum of Understanding (MOU) with the Florida Highway Safety and Motor Vehicles (FLHSMV) and determine whether requirements of the Commission for the Transportation Disadvantage MOU with FLHSMV were met. This engagement identified three minor deficiencies and corrective actions were enacted prior to completion to prevent future deficiencies.

SPECIAL PROJECTS

23E-004, Enterprise Risk Management (ERM) Update

In recent years, both American Association of State Highway and Transportation Officials (AASHTO) and United States Department of Transportation (USDOT) have spearheaded initiatives to encourage more widespread adoption by state transportation agencies of Enterprise Risk Management (ERM), an emerging best practice for program management. In 2021, the OIG conducted a survey of ERM literature, including AASHTO's 2016 *Guide for Enterprise Risk Management (Guide)*, and presented its findings to the Florida Department of Transportation's (FDOT) Secretary. Subsequently, the OIG reached out to several "early adopter" agencies, including the Minnesota Department of Transportation, to conduct interviews regarding their experiences with ERM. In 2022, AASHTO published an *Implementation of the AASHTO Guide for Enterprise Risk Management*, with many practical examples of pilot projects at sister agencies to illustrate the concepts outlined in its 2021 Guide. The OIG reviewed the implementation guidance, summarized key highlights, and shared resources for further reading with department senior management.

Levels of Risk Management



SPECIAL PROJECTS AND CHIEF INSPECTOR GENERAL

22Q-006, Employee Benefit Fund (EBF)

The purpose of this engagement was to review the governance and internal controls of the Employee Benefit Program (EBF) statewide. We reviewed five main areas and had recommendations for corrective action that included consistent filing of Annual Reports, more comprehensive training of committee members, periodic review of EBF procedures, compliance for funding and disbursements, strengthening cash controls, sale tax collection and reporting controls, maintaining equipment and supply inventories, consistent financial reporting, and better record-keeping for committee activities.



Chief Inspector General

23P-003, Identity & Access Management Enterprise Cybersecurity Audit

In fiscal year 2022-23, our office participated in the Enterprise Cybersecurity Audit, led by the Office of the Chief Inspector General. The purpose of this engagement was to evaluate agency controls and compliance with Rule 60GG-2.003(1), Florida Administrative Code (F.A.C.), Identity Management, Authentication, and Access Control. Any audit findings and recommendations for corrective action related to this engagement are considered confidential and/or exempt from disclosure. (Also on page 15)

SIGNIFICANT AUDIT RECOMMENDATIONS AND SIX-MONTH STATUS UPDATES

Significant Audit Recommendations

Section 20.055(8)(c), Florida Statute, requires the Inspector General to provide descriptions of:

- Recommendations for corrective action made during the reporting period with respect to significant problems, abuses, or deficiencies identified.
- Each significant recommendation described in previous annual reports on which corrective action has not been completed.

The OIG issued the following reports classified as confidential during FY 2022-23, which contained findings. Details have been omitted for corrective actions still underway:

- 22P-009, Security of SharePoint Sites. One finding, with corrective actions underway.
- 23P-003, Enterprise Cybersecurity Audit - Identity Access Management. Five findings, with corrective actions underway.

No corrective actions remain open for significant recommendations reported in previous annual reports.

Six-Month Status Updates

Section 20.055(6)(h), Florida Statute (F.S.), requires the Inspector General to update the Chief Inspector General (CIG) and Joint Legislative Audit Committee (JLAC) regarding the status of corrective actions taken six months after the Auditor General (AG) or Office of Program Policy Analysis and Government Accountability (OPPAGA) have published a report. In addition, Section 20.055(2)(f), F.S. requires the Inspector General to continue providing status updates for corrective actions until each finding is resolved. The OIG issued the following updates during the FY 2022-23.

Status update report to the CIG and Department Secretary for six months ended:

- June 30, 2022, for four AG and eighteen OIG outstanding findings.
- December 30, 2022, for two AG and twelve OIG outstanding findings.

In addition, the Auditor General issued four findings in February 2023 as part of its triennial operational audit of the Department (Report 2023-119). Two of these findings were resolved as of the date of the report; the other two were repeat findings in final stages of being resolved. Subsequently to fiscal year end, the OIG issued:

- A status update to the CIG and Secretary for the six months ended June 30, 2023, for two AG findings and eighteen OIG findings remaining open as of that date, and
- A six-month status update to JLAC regarding Report 2023-119.

EXTERNAL OVERSIGHT COORDINATION PROJECTS

Section 20.055(2)(g), Florida Statutes (F.S.), requires the Inspector General to “ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication.” During FY 2022-23, we facilitated five (5) external projects, including:

Auditor General

The OIG coordinated, facilitated, and/or monitored inquiries related to:

- Annual Federal Awards Audits. The Auditor General (AG) issued Report No. 2022-189, State of Florida - Compliance and Internal Controls Over Financial Reporting and Federal Awards, FYE 6/30/2022 in March 2023. The AG opened its FY 22-23 audit of Federal Awards in April, 2023.
- Annual Audits of Financial Statements. The OIG provides secondary support to the Office of Comptroller to coordinate activities associated with the AG’s annual audits of the Department’s financial statements, performed concurrently with the annual Federal Awards audits.
- Triennial Operational Audits. The AG issued Report No. 2023-119, Department of Transportation Selected Administrative Activities and Prior Audit Follow-up, concerning the audit period July 2018 through January 2020 in February 2023. The AG commenced planning activities for its 2023 operational audit in April, concerning the audit period of July 2021 through March 2023.

Office of Program Policy Analysis and Accountability

The OIG coordinated inquiries for projects related to:

- Infrastructure planning, including estimation process for long-term funding needs.
- Existing regulatory means for addressing excess vehicle noise.

INVESTIGATIONS

The Investigations Section's mission is to deter, detect, and investigate crimes or misconduct impacting the Department.

Duties and Responsibilities

The Investigations Section investigates Department employees, contractors, vendors, and/or the public who attempt to gain a benefit for which they are not entitled. The Investigations Section operates in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, accreditation standards established by the Florida Commission for Law Enforcement Accreditation, and works closely with law enforcement partners to accomplish its mission.

The Investigations Section's duties and responsibilities include:

- Receiving complaints and coordinating activities of the Department in accordance with the Whistle-blower's Act pursuant to Sections 112.3187-112.31895, Florida Statutes.
- Receiving and considering complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conducting, supervising, or coordinating such inquiries, investigations, or reviews as the Inspector General deems necessary.
- Reporting expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies when the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- Conducting investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Office of Inspector General, including freedom from interference with investigations, timely access to records, and other sources of information.
- Submitting final reports of investigations timely to the Department's Secretary.

INVESTIGATIONS

Investigation Products by Program Area

Engineering & Operations

152-21119, CO - State Materials Office Employee Benefit Fund - Misuse of Debit Card (Theft)

The OIG received information regarding a now former Department employee who was believed to have misused a debit card for cash withdrawals and personal purchases from an Employee Benefit Fund (EBF). A review was completed of all receipts, documents, deposits, and credit union bank statements, which revealed unreconciled ATM withdrawals and subsequent cash deposits that did not coincide with EBF activities. Additionally, several charges were discovered on the EBF debit card for Door Dash transactions. Based on the interviews conducted and the conflicting statements provided by the subject and witnesses, it was inconclusive if the employee used EBF funds for personal use; however, based on records reviewed and the employee's admission, it is proved the employee was aware of unauthorized purchases and/or withdrawals from the EBF account, which they did not report.

152-22057, D6 - Highway Maintenance Technician - Misuse of Fuel Card (Theft)

The OIG received information from District management regarding possible fraudulent transactions to include the illegal purchase of fuel by a recently terminated Department employee. It was reported that the employee, who was terminated for unrelated issues, may have removed a fuel card from a Department vehicle and purchased fuel for personally owned vehicles after their termination. In accordance with Section 20.055(7)(c), F.S., this matter was reported to law enforcement. As the employee is no longer employed by the Department, the matter has been administratively closed.

152-21076, D4 - Administrative Assistant - Outside Business Activity (Conflict of Interest)

The OIG received information from District management regarding a possible conflict of interest related to the procurement of janitorial services for a District office. Specifically, it was discovered that a Department employee, who was involved in the procurement and payment to the company, owned the janitorial service selected for the contract. When questioned by management, the employee provided untruthful information regarding this matter and was subsequently terminated. Pursuant to Section 20.055(7)(c) F.S., the OIG referred this matter to law enforcement. As the employee is no longer employed by the Department, the matter has been administratively closed.



INVESTIGATIONS

Engineering & Operations (continued)

150-22002, D1 - T&M, Inc. & Terra Maintenance (Bid Rigging)



The OIG received a complaint from a contractor who alleged an individual submitted a bid for a contract under the name of two companies they owned, one of which was awarded the contract with their low bid. During the investigation, the OIG conducted interviews with the contractor who allegedly submitted two bids and determined they did not own both companies. The company owners acknowledged they were acquainted through a familial relationship; however, they stated they do not share ownership in each other's

company, nor do they share funds or equipment between companies. This information was provided to the Contracts Administration Office for review and action deemed appropriate. Accordingly, this matter was administratively closed.

150-22044, D2 - Sacyr Construccion SA, Inc. (False Certifications)

The OIG received information wherein a subcontractor alleged non-payment and fraudulently submitted Certification Disbursement of Previous Periodic Payment to Subcontractors (Certifications) by a prime contractor. The complainant alleged the prime was paid by the Department for work that was completed; however, they did not in turn pay them as a subcontractor. The OIG conducted interviews with Department staff, as well as the subcontractor and the prime.

Based on the interviews conducted and records reviewed, it is proved the prime contractor submitted incorrect Certifications to the Department when they did not include non-payments to the subcontractor. It should be noted that while the prime contractor acknowledged they did not list the subcontractor on their Certifications as an unpaid subcontractor, there did not appear to be a pattern of, nor an appearance of, intentional falsification of their Certifications.

Accordingly, this matter was administratively closed.



FALSIFICATION

152-23056, D3 - Operations Center Technical Review Committee Coercion (Conflict of Interest)

The OIG received information alleging a Department employee was “pressuring” members of a Technical Review Committee (TRC) to select the Construction Engineering and Inspection (CEI) firms based on the employee’s preference. Additionally, it was alleged the employee discussed with staff and TRC members the selection of CEI firms seeking contracts with the Department outside of the *Cone of Silence. The employee was interviewed and denied pressuring employees to select specific CEI firms and denied discussing the selection of firms outside of the Cone of Silence. Due to the limited information provided by the complainant, there were no further issues that warranted further review by the OIG. Accordingly, this matter was administratively closed.

*Cone of Silence: A directive that prohibits oral communication about a specified subject.

INVESTIGATIONS

Engineering & Operations (continued)

152-22091, D1 - Senior Equipment Operator - Misuse of Fuel Card & Maintenance Yard (Theft)

The OIG received information from District management alleging a Department employee was taking scrap metal and fuel for personal use. The OIG conducted interviews and reviewed applicable statutes, codes, and policies, as well as transactions for related Department-issued fuel cards, equipment records, on-call records, and badge entry records. The OIG was unable to identify anyone that had first-hand knowledge or conclusive evidence to substantiate the allegations the employee was taking Department materials for personal use. The OIG provided management with recommendations regarding internal controls related to the use and storage of Purchasing Cards. The OIG considers this matter administratively closed.

150-22040, D1 - Henkay Precast, Inc. & The Reinforced Earth Company - Lack of Production Oversight (Quality Control)

The OIG received a complaint from a former General Manager at a supplier that provides products for Department projects. The complainant alleged noncompliance in the manufacturing of products by the supplier. The allegations included backdating materials, unsigned tickets by the Quality Control (QC) Manager, and allowing non-certified employees to stamp the products for shipping. As part of this investigation, the OIG conducted interviews and reviewed Department specifications and various documents. While some of the findings were inconclusive, there were other allegations that were proved. Department management took swift action to impose sanctions on the supplier to ensure compliance with their QC plan. Additionally, the OIG provided recommendations for process improvement to Department management.



INVESTIGATIONS

Finance & Administration

152-22065, CO - Operations & Management Consultant - Contractor Association (Conflict of Interest)

The OIG received information regarding a potential conflict of interest involving a Department employee and a contractor doing business with the Department. The OIG conducted interviews with Department staff and reviewed contract documentation, procurement documentation, and corporate paperwork for the contracts and companies involved. Based on the interviews conducted and records reviewed, it was proved the employee created the appearance of a conflict of interest by attempting to utilize a Department contractor for a fellow employee's potential benefit.

152-22068, D6 - Vendor Deposit Bag Tampering (Quality Control)

The OIG received information regarding a "lock bag" (zippered and locked bank bag) that may have been tampered with. Specifically, it was reported when the bank bag was received from the District, it appeared to have been "cut open" and the contents of the bag were missing. The bag contained checks made payable to the Department by various vendors. Subsequently, District staff contacted the individuals who wrote the checks to advise them of the situation and to report the issue (stop payment) to their bank. This matter was reported to law enforcement. The OIG conducted interviews of pertinent staff in an effort to obtain additional information in this matter; however, no additional information or investigative leads were identified. As such, the OIG administratively closed this matter.



152-22042, CO - Florida Department of Transportation & Florida Department of Financial Services - Warrants (Theft)

The OIG received information regarding two warrants (checks) deposited fraudulently which required vendors to submit Affidavit Attesting to Forgery forms to the Department of Financial Services (DFS). Subsequent to this complaint, the OIG was informed of another occurrence of warrant/check fraud wherein the vendor also filed an affidavit of forgery to DFS. The OIG reviewed documents and conducted interviews of Department and DFS staff in an effort to obtain additional information identifying possible leads or potential subjects responsible for the fraudulent deposits of the warrants/checks noted above. Based on the interviews conducted and the records reviewed, there is no indication that the Department incurred a loss as a result of the fraudulent deposits. Additionally, when asked, Department staff denied taking and/or depositing any of the warrants/checks in question. All investigative leads were exhausted. As such, the OIG administratively closed this matter. The OIG observed some Departmental internal control concerns which were shared with management.

INVESTIGATIONS

Finance & Administration (continued)

150-20117, CO - AE Engineering, Inc. (Falsification)

The OIG received a complaint regarding the Small Business Enterprise (SBE) status of a company doing business with the Department. Subsequent to receiving this complaint, the OIG contacted the Department's Equal Opportunity Office (EOO) and requested a review of the company's gross receipts submitted for certification as a Disadvantaged Business Enterprise (DBE) and determined, based on gross receipts for 2017, 2018, and 2019, the company was over the \$6.5M SBE eligibility. Due to the appropriate administrative action taken by the EOO in removing the company from the small business program, with no additional administrative action to be considered, the OIG administratively closed this matter.



152-23007, CO - Department Employee - Dual Employment Concerns (Conflict of Interest)

The OIG received correspondence from the Florida Department of Law Enforcement's OIG wherein an anonymous complainant expressed concerns regarding a Department employee's outside employment conflicting with their scheduled work hours at the Department. Due to the vague nature of the anonymous complaint, the OIG conducted a preliminary review to determine if any issues were present to indicate the employee was conducting work for their outside employment while on Department time and/or vice versa. Based on the records reviewed and the interviews conducted, the OIG did not find any indication the employee worked for their outside employment while on Department time or vice versa. Accordingly, the OIG considers this matter administratively closed.

Strategic Development

150-22078, CO - Department Employee - Audio Documenting (Recording without Consent)



The OIG received a complaint wherein a Department employee expressed various personnel related concerns. The complainant provided information related to a meeting they had with management to discuss these concerns. Based on the format of the detailed information of the meeting provided by the complainant, the OIG had reason to believe the meeting was audio recorded. Based on this information, the OIG self-initiated an inquiry to determine if an audio recording was used without the permission of those in attendance at the meeting. Based on records reviewed and interviews conducted, as well as the employee's admission, it was proved the employee recorded a private conversation without the consent or knowledge of all parties present.

QUALITY ASSURANCE AND OPERATIONS SUPPORT

The mission of the Quality Assurance and Operations Support Section (QAOS) is to ensure quality audit and investigative products that fully comply with all professional and office standards and support the operations of the Office of Inspector General.

The QAOS section's duties and responsibilities are to:

- Ensure OIG policies and procedures are current and designed to conform with professional auditing standards;
- Perform internal assessments in accordance with professional auditing and investigative standards and OIG procedures, such as report reviews and quality assurance reviews of audit working papers;
- Conduct an annual risk assessment, and develop the annual audit work plan, in coordination with the Director of Audit;
- Prepare the annual report;
- Maintain daily operational functions including human resources, facilities management, travel, and inventory;
- Plan and maintain the OIG's budget and segregate duties for Purchasing Card (P-card) transactions and approval;
- Maintain the OIG's information technology infrastructure, such as SharePoint and Internet sites;
- Monitor staff training requirements and completion dates in compliance with professional standards and review training reports monthly;
- Maintain OIG awareness and communication tools (brochures, presentations, surveys, trainings, etc.); and
- Administer and maintain TeamMate, the OIG's Audit project management software.

Total Audit Workpaper Quality Assurance Reviews: 34

Review of Audit Products: 40

Review of Investigations Products: 17

Total Number of Reviews for all Products: 57

TRAINING, CERTIFICATIONS, AND AFFILIATIONS

Professional standards require the OIG's staff to be proficient, competent, as well as collectively possess and apply knowledge, skills, and experience when performing audit and investigative work. Additionally, auditors and investigators should complete Continuing Professional Education (CPE) courses related to their primary responsibilities.

Our auditors adhere to the *Government Auditing Standards* for completing 80 CPE hours in a 2-year period with 24 of those hours being related to government auditing.

Our investigators adhere to the *Principles and Standards for Offices of Inspector General* for completing 40 CPE hours in a 2-year period with 12 of those hours being related to investigations.

The Quality Assurance and Operations Support Section provides oversight of the training program to ensure staff meet the CPE requirements and completed courses are documented adequately. OIG internal Procedure No. 450-a10-008, Training and Professional Development, has guidance on how to identify levels of expertise for meeting organizational requirements. The training program is evaluated regularly to ensure staff needs are being met, ensure the best training sources are used, and maintain an adequate training fund.



Certifications	No. People
CFE - Certified Fraud Examiner	5
CGAP - Certified Government Auditing Professional	1
CGFM - Certified Government Financial Manager	1
CIA - Certified Internal Auditor	5
CIG - Certified Inspector General	3
CIGA - Certified Inspector General Auditor	7
CIGI - Certified Inspector General Investigator	8
CISA - Certified Information Systems Auditor	5
CPA - Certified Public Accountant	1
CPM - Certified Public Manager	10
CRMA - Certification in Risk Management Assurance	1
FCCM - Florida Certified Contract Manager	10
ITIL - Information Technology Infrastructure Library	2
PMP - Project Management Professional	1
NP - Notary Public	6

OIG STAFF ACCOMPLISHMENTS

The OIG staff is highly qualified and brings various backgrounds and expertise to the Department. The collective experience spans a variety of disciplines, including auditing, accounting, investigations, law enforcement, and information systems.

Our office has a mentoring program for staff to expand their knowledge, skills, and abilities. We had two attendees in FY 2022-23.

In addition, our office supports staff recognition by giving awards for “Employee of the Quarter” and “Employee of the Year.”

Employee of the Quarter Winners



Heather Shepard, Kathy Rush, Andrea Sistrunk,
and Misha Jordan (not pictured)

Employee of the Year



Andrea Sistrunk

Management Academy Graduates



Larry Burns and Jessica Mobley

Management Academy builds on the foundation presented in the Supervisors Academy and focuses on managing teams and/or projects. Some of the topics covered in this program include teamwork, communication and listening skills, the Department’s business model, recognition, budget and rate, management styles, emotional intelligence, conflict management, generational issues, and working with elected officials and staff.

OIG STAFF ACCOMPLISHMENTS

The Certified Public Manager (CPM) program is a nationally recognized program for training and developing public managers and supervisors. It is currently offered in 38 states and by the federal government. The primary goals are to professionalize public management and improve organizational efficiency and effectiveness. This past year, Mervat Bebawy and Jessica Mobley received their certifications.

Certified Public Manager Graduates



Mervat Bebawy (center)



Jessica Mobley (center)

Certified Information Systems Auditor (CISA) is world-renowned as the standard of achievement for those who audit, control, monitor, and assess an organization's Information Technology and business systems. If you are a mid-career professional, the CISA can showcase your expertise and assert your ability to apply a risk-based approach to planning, executing, and reporting on audit engagements.

Certified Information Systems Auditor Graduates



Joseph Gilboy, Scott Armstrong, and Amy Furney

Not Pictured: Amy Furney

OIG STAFF ACCOMPLISHMENTS

The Association of Inspectors General is a professional, non-profit organization that supports and advances the professionalism and integrity of Inspectors General offices. The Association serves as a civic, educational, charitable, and benevolent organization for the exchange of ideas, information, education, knowledge, and training among municipal, local, state, national, and international Inspectors General.

Certified Inspector General Graduate



Kim Likens



Certified Inspector General Auditor Graduates



Paul Lowery, Barbara Brown-Walton, Jessica Mobley and Andrea Sistrunk.

OIG STATUTORY ANNUAL REPORT REQUIREMENTS

Florida Statutes require an annual report be submitted, not later than September 30th of each year, summarizing the activities conducted in the prior fiscal year. This report shall include, but is not limited to:

- A description of activities relating to the development, assessment, and validation of performance measures;
- A description of significant abuses and deficiencies relating to the administration of programs and operations of the Department disclosed by investigations, audits, reviews, or other activities during the reporting period;
- A description of the recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies identified;
- The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed; and
- A summary of each audit and investigation completed during the reporting period.



ACCOUNTABILITY HOTLINE

Report Fraud, Waste, Abuse,
Misconduct, or Mismanagement.



Someone is using
Department property or
people for personal gain.



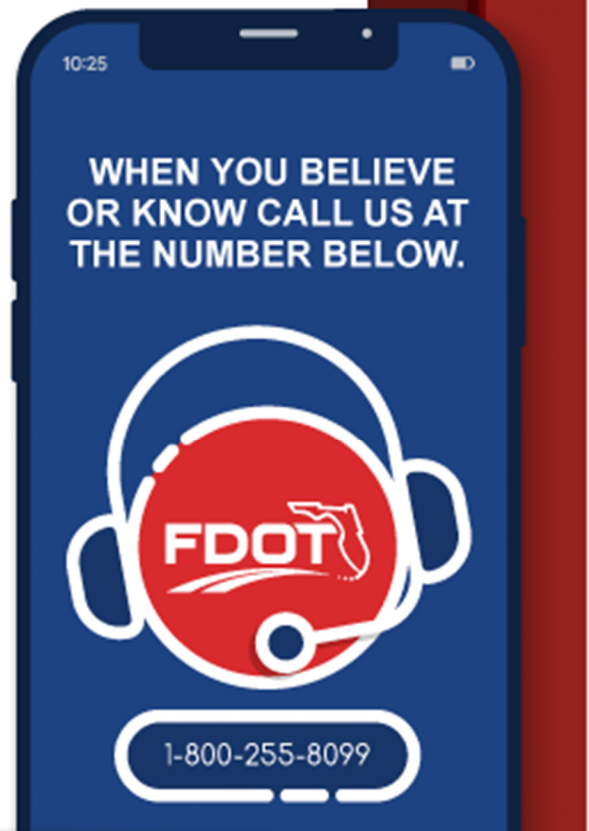
Someone is intentionally
misleading the Department
for financial gain.



Someone is receiving
a benefit to
"look the other way."



Someone is committing
other types of fraud,
waste, abuse, misconduct,
or mismanagement.



Office of Inspector General

Accountability | Integrity | Efficiency

visit <https://www.fdot.gov/ig> for more information.