

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2023-119
February 2023

DEPARTMENT OF TRANSPORTATION

Selected Administrative Activities and Prior Audit Follow-Up



Sherrill F. Norman, CPA
Auditor General

Secretary of the Department of Transportation

The Department of Transportation is established by Section 20.23, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor and subject to confirmation by the Senate. During the period of our audit (July 2018 through January 2020), the following individuals served as Department Secretary:

Kevin J. Thibault	From January 22, 2019
Erik Fenniman (Interim)	December 4, 2018, through January 21, 2019
Mike Dew	Through December 3, 2018

Commission for the Transportation Disadvantaged

The Commission for the Transportation Disadvantaged is established by Section 427.012, Florida Statutes, and consists of seven members appointed by the Governor. The Commission members who served during the period of our audit were:

Marion Hart Jr., Chair	Christinne Rudd
Dr. Phillip Stevens, Vice Chair	Dr. Robin D. Tellez
Renee Knight	Mike Willingham

Note: One member position was vacant during the period of our audit.

The head of the Commission is the Executive Director who is appointed by and serves under the direction, supervision, and control of the Commission. During the period of our audit, the following individuals served as Commission Executive Director:

David Darm	From July 12, 2019
Steve Holmes	Through July 11, 2019

The team leader was Sabrina Ballew, CPA, and the audit was supervised by Melisa Hevey, CPA.

Please address inquiries regarding this report to Melisa Hevey, CPA, Audit Manager, by e-mail at melisahevey@aud.state.fl.us or by telephone at (850) 412-2935.

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DEPARTMENT OF TRANSPORTATION

Selected Administrative Activities and Prior Audit Follow-Up

SUMMARY

This operational audit of the Department of Transportation (Department) focused on selected administrative activities and included a follow-up on the findings noted in our report No. 2017-121. Our audit disclosed the following:

Road Ranger Service Patrol Program

Finding 1: As similarly noted in prior audit reports, most recently in our report No. 2017-121, the Department had not established a monitoring plan or policies and procedures to ensure that monitoring efforts for Road Ranger Service Patrol Program (Road Ranger Program) contracts were sufficient and that adequate documentation of the monitoring activities performed was maintained.

Finding 2: Road Ranger Program payments were not always supported by sufficient documentation. A similar finding was noted in prior audit reports, most recently in our report No. 2017-121.

Finding 3: Department user access privilege controls for the SunGuide system used to manage the Road Ranger Program continue to need enhancement.

Selected Administrative Activities

Finding 4: The Department did not always promptly cancel purchasing cards upon a cardholder's separation from Department employment or when a cardholder no longer required a purchasing card to perform their job duties.

BACKGROUND

State law¹ provides that the Department of Transportation (Department) is responsible for coordinating the planning of a safe, viable, and balanced State transportation system. The Department operates with a decentralized organizational structure consisting of seven Districts, a Turnpike Enterprise, a Rail Enterprise, and a Central Office.² The Department also provides assistance to the Florida Transportation Commission and administrative support to the Commission for the Transportation Disadvantaged.

FINDINGS AND RECOMMENDATIONS

ROAD RANGER SERVICE PATROL PROGRAM

The Road Ranger Service Patrol Program (Road Ranger Program), administered by the Department and its partners, provides highway assistance services to reduce delays and improve safety for the motoring public and responders. The Road Ranger Program's primary services include coordinating with the

¹ Section 334.044(1), Florida Statutes.

² Section 20.23, Florida Statutes.

Florida Highway Patrol and other law enforcement agencies to quickly clear minor incidents from travel lanes, and to assist other incident responders in lane clearance and traffic control during major incidents. Additionally, Road Ranger patrol vehicles are equipped to assist motorists, free of charge, by providing limited amounts of fuel, assisting with tire changes, and helping with other types of minor emergency vehicle repairs.

In accordance with Department policies and procedures established by the Central Office, the Road Ranger Program is managed independently by the Department's seven Districts and the Turnpike. Each District and the Turnpike contracted with independent service contractors to provide assistance to motorists by patrolling the State's high incident locations, such as interstates, major freeways, and construction zones.

According to Department contract records,³ the Districts and the Turnpike had 11 Road Ranger Program contracts, totaling approximately \$192.4 million, that were active at some point during the period July 2018 through January 2020. To oversee Road Ranger Program contractor compliance with contract terms and conditions, a contract manager was assigned to each Program contract and given responsibility for enforcing performance of the contract terms and conditions, serving as a liaison with the contract vendor, and ensuring that the contract terms and provisions were complied with prior to processing invoices for payment. Department records indicated that, during the period July 2018 through January 2020, expenditures related to the 11 contracts totaled approximately \$57.5 million.

Finding 1: Road Ranger Program Contract Monitoring

State law⁴ provides that State agencies are responsible for enforcing the terms and conditions of all contracts and ensuring that contract deliverables are appropriately satisfied. Pursuant to State law, the Department of Financial Services (DFS) established and disseminated to State agencies guidelines⁵ to ensure that contractual services are rendered in accordance with contract terms. For example, the DFS guidelines require State agencies to establish a formal contract monitoring process that includes a monitoring plan and procedures for monitoring and documenting contractor performance.

Department policies and procedures⁶ required each District and the Turnpike to establish a quality assurance process to ensure that minimum Road Ranger vehicle, equipment, and other standards were met, and applicable supporting documentation was maintained by Road Ranger service contractors. Additionally, the policies and procedures required Road Ranger contractors to ensure that Road Ranger vehicle operator requirements were met and to maintain documentation demonstrating operator compliance with those requirements, with copies furnished to the Department upon request. Minimum Road Ranger Program vehicle, equipment, vehicle operator, and other requirements established in Department policies and procedures included:

³ As recorded in the Florida Accountability Contract Tracking System maintained by the Department of Financial Services.

⁴ Section 287.057(15), Florida Statutes.

⁵ CFO Memorandum No. 05, *Contract Monitoring and Documenting Contractor Performance*.

⁶ Department Topic No. 750-030-015-e, *Road Ranger Operations*.

- Vehicles had to have the ability to push, tow, or reposition disabled vehicles out of travel lanes and be capable of transporting passengers and all specified equipment in a properly secured manner.
- A vehicle equipment checklist was to be completed at the beginning of each shift noting the inventory of equipment, tools, and expendables assigned to the operator vehicle and required to be present.
- Vehicle operators were to have a valid Florida driver's license and an acceptable driving record.
- Each vehicle operator was required to have a criminal background check, periodic drug screenings, and designated level of experience.
- Each vehicle operator was to have completed required training, including training in traffic control and basic first aid.

Additionally, Road Ranger contractors for Districts Two, Six, Seven, and the Turnpike were required, by contract, to carry liability insurance during the term of the contract.

As part of our audit, we evaluated Department, District, and Turnpike processes for monitoring Road Ranger Program contracts by interviewing Department, District, and Turnpike personnel; reviewing Department Road Ranger Program policies and procedures; and reviewing the scope of services and monitoring records for five Program contracts (four District contracts and one Turnpike contract),⁷ totaling \$148.1 million, and active during the period July 2018 through January 2020. As similarly noted in prior audit reports, most recently in our report No. 2017-121 (Finding 12), our audit procedures disclosed that the Department had not established a formal contract monitoring process that included a monitoring plan and policies and procedures requiring District and Turnpike staff to document, in a consistent manner across the Districts and the Turnpike, the methods used to monitor the contracts, follow up on any compliance issues noted, or conduct supervisory reviews of contract monitoring activities. In addition, we found that District and Turnpike records did not always clearly demonstrate that comprehensive Road Ranger contract monitoring had been performed. Specifically, we noted that:

- While District Six had established contract monitoring guidelines and maintained vehicle and vehicle operator records, District records did not always clearly evidence comprehensive monitoring of compliance with vehicle and vehicle operator requirements, including vehicle operator equipment checklists, drug screenings, driving records, background checks, employee experience, training credentials, and insurance policy verifications.
- Districts Two, Five, and Seven, and the Turnpike had not formalized their contract monitoring process, and while the Districts and the Turnpike maintained vehicle and vehicle operator records, District and Turnpike records did not always clearly evidence comprehensive monitoring of compliance with vehicle and vehicle operator requirements, including vehicle operator equipment checklists, drug screenings, driving records, background checks, employee experience, training credentials, and as applicable, insurance policy verifications.

In response to our audit inquiry, Department management indicated that the District and Turnpike contracts required payments only be made after deliverables were received and accepted in writing by the contract manager and that this internal control, in coordination with Department invoice payment

⁷ We included the following contracts in our audit testing: a 7-year District Two contract (No. BE359) totaling \$23,979,658; a 5-year District Five contract (No. BE350) totaling \$6,322,920; a 5-year District Six contract (No. BE557) totaling \$40,750,401; an 8-year District Seven contract (No. BDW67) totaling \$39,036,411; and a 5-year Turnpike contract (No. BE495) totaling \$37,979,863.

controls, negated the need for a formal, stand-alone process to monitor Road Ranger Program contracts. Notwithstanding, such controls may not effectively ensure that contract service requirements were being met and, as documented in Finding 2, District and Turnpike contract payment controls were not always adequate.

An effective contract monitoring process, including a monitoring plan and policies and procedures that promote and document consistent monitoring of Road Ranger Program contract performance across Districts and the Turnpike, would better evaluate whether desired service requirements are being met and identify compliance problems as early as possible so that corrective action may be timely initiated. Without adequate documentation evidencing the sufficiency of the monitoring activities performed, District and Turnpike management cannot clearly demonstrate that Road Ranger Program services were provided in accordance with contract terms or that required contract deliverables were received.

Recommendation: We again recommend that Department management establish, for District and Turnpike staff use, a Road Ranger Program contract monitoring plan and related policies and procedures that specify the methods to be used to monitor contracts, the monitoring records to be maintained, and supervisory review requirements. We also recommend that District and Turnpike management ensure that monitoring activities are adequately documented and performed in accordance with State law, DFS guidelines, and Department policies and procedures.

Finding 2: Road Ranger Contract Payments

State law⁸ provides that, where applicable, State agency contractual services contracts in excess of \$35,000 are to require that bills for fees or other compensation for services or expenses be submitted in detail sufficient for a proper preaudit and postaudit thereof. Additionally, DFS guidelines⁹ require that, for all contracts and grant agreements that are recorded in the Florida Accountability Contract Tracking System (FACTS) and for which payments are processed in the Florida Accounting Information Resource Subsystem (FLAIR), agency contract managers submitting contract invoices for payment certify that the goods and services have been satisfactorily received.

To determine whether District and Turnpike invoice payment processes were operating effectively, we interviewed applicable personnel, reviewed Department policies and procedures, and examined Road Ranger Program contract records, voucher packages, FLAIR and FACTS records, and other records related to 40 contract payments, totaling approximately \$6.8 million, made during the period July 2018 through January 2020 and related to 11 Road Ranger Program contracts, each exceeding \$35,000. As similarly noted in prior audit reports, most recently in our report No. 2017-121 (Finding 13), we noted that District and Turnpike records did not always evidence that Road Ranger Program contract invoices were appropriately reviewed or that payments were supported by adequate documentation. Specifically, we found that:

- No documentation was available to demonstrate that the contract manager corroborated invoiced hours and amounts to original source documents such as SunGuide¹⁰ reports or daily operating

⁸ Section 287.058(1)(a), Florida Statutes.

⁹ CFO Memorandum No. 03, *Contract Summary Form*.

¹⁰ SunGuide is an advanced traffic management system that allows the Department to, among other things, control and monitor roadside equipment and vehicle resources to facilitate traffic and incident management.

logs showing actual hours worked for 19 contract payments totaling \$2,575,822. In response to our audit inquiry, Department management indicated that invoiced hours were verified by multiplying the total hours included in the vendor-created time sheets by the contracted rates per hour. Notwithstanding, such procedures only validate the mathematical accuracy of the charges as calculated by the vendor and reviewing original source documentation evidencing the actual hours worked would provide greater assurance that the invoiced hours and amounts are appropriate.

- 32 contract payments associated with 8 contracts required contractors to comply with minimum pay rate requirements. However, no evidence was available to demonstrate that the contractor submitted proof of pay rates for:
 - 5 District Two contract payments totaling \$1,408,420. In response to our audit inquiry, District Two management indicated that the District had not established procedures to verify minimum pay rates and that the rates were verified throughout the year rather than with each contract payment.
 - 2 District Three contract payments totaling \$86,562. According to District Three management, the District had not established procedures to verify contractor compliance with minimum pay rates.
 - 5 Turnpike contract payments totaling \$1,210,447. According to Turnpike management, although compliance with contractor minimum pay rates was not documented prior to payment, Turnpike management reviewed the contractor's payroll register at the start of the contract, and the contractor provided pay documentation when requested by the contract manager.

Absent adequate documentation supporting that the amounts invoiced are for actual services provided in accordance with Road Ranger Program contract provisions, the Department cannot demonstrate the appropriateness of the contract payments.

Recommendation: We again recommend that Department management ensure that District and Turnpike records evidence appropriate corroboration of the services received and amounts billed in accordance with contract requirements prior to the approval of Road Ranger Program contractor invoices for payment.

Finding 3: SunGuide User Access Privilege Controls

Effective information technology (IT) access controls require entities to periodically review user access privileges for appropriateness and ensure that IT access is promptly removed when access to an IT resource is no longer required. Prompt action to remove user access privileges when an employee separates from employment or when access to the IT resource is no longer required is necessary to help prevent misuse of the access privileges.

SunGuide Software (SunGuide) is an advanced traffic management system that allows the Department to control and monitor roadside equipment and vehicle resources to facilitate traffic and incident management, disseminate traveler information to the motoring public, exchange critical information among agencies, and collect and report data regarding the operation of the State's transportation system. Access to SunGuide is granted to District and Turnpike staff and Regional Transportation Management Center (RTMC) contractor personnel. According to Department management, District and Turnpike management were responsible for controlling access to SunGuide.

In prior audit reports, most recently in our report No. 2017-121 (Finding 14), we noted that the Department did not conduct periodic SunGuide user access privilege reviews, did not always timely deactivate employee access to SunGuide upon an employee's separation from Department employment, or maintain records demonstrating that user access privileges were timely deactivated upon an employee's separation from Department or contractor employment. As part of our follow-up audit procedures, we inquired of Department management and examined SunGuide user access privilege records for the period July 2018 through November 2020 and found that:

- The Department had not established comprehensive policies and procedures for the seven Districts and the Turnpike specifying the criteria for performing, and requirements for documenting, periodic reviews of SunGuide user access privileges. According to District and Turnpike management, each District and the Turnpike had established their own policies and procedures for managing user access privileges. However, the District and Turnpike policies and procedures did not always sufficiently address the periodic review of SunGuide user access privileges for continued appropriateness. Specifically, our evaluation of the policies and procedures and access review processes found that:
 - District One procedures,¹¹ implemented in August 2019 and updated in March 2020, required SunGuide user accounts to be reviewed annually, but did not include instructions for performing or documenting the reviews. Additionally, District One did not conduct any SunGuide user account access reviews during the period July 2018 through March 2020, and the review performed in April 2020 did not evidence who performed the review or the results of the review.
 - While District Two management indicated that during the period July 2018 through January 2020 periodic reviews of SunGuide user access privileges were conducted, the District had not established policies and procedures addressing such reviews and management could not identify for our audit the number of reviews conducted. Additionally, District management indicated that, after January 2020, the District established policies and procedures¹² requiring that quarterly reviews of SunGuide user access be conducted by the RTMC manager and submitted to the operations project manager for final review. According to District management, the quarterly access reviews were maintained in an Excel spreadsheet. However, our review of the November 2020 quarterly access review spreadsheet disclosed that the spreadsheet did not evidence who performed the review or the results of the review.
 - District Three policies and procedures did not require, and the District did not conduct, periodic reviews of the appropriateness of SunGuide user access privileges. In response to our audit inquiry, District Three management provided security reports that were generated to identify potential security threats. However, our review of the security reports for July 2018 and October 2019 disclosed that the reports did not include a review of SunGuide user access privileges.
 - District Four had not established policies and procedures requiring periodic reviews of SunGuide user access privileges. According to District management, although there was no set schedule, periodic user access reviews were conducted to ensure that the SunGuide user list was updated. Our review of the March 2020 user access review records disclosed that the review did not evidence who performed the review or the results of the review.
 - District Six had not established policies and procedures requiring periodic reviews of SunGuide user access privileges. According to District management, monthly System

¹¹ Standard Operating Procedure ITS District 1, SOP #5020, *Disable user account*.

¹² *SunGuide User Access Policy – Computer Security*.

Administration Reports were completed and contained information on SunGuide user access reviews. However, our review of the August 2018 and January 2020 System Administration Reports found that the Reports neither identified SunGuide users nor evidenced a review of user access privileges.

- District Seven had not established policies or procedures requiring, and the District did not conduct, periodic SunGuide user access reviews. In response to our audit inquiry, District Seven management indicated that changes to SunGuide user access were handled on a case-by-case basis through the use of an onboarding and outboarding checklist.
- While Turnpike management indicated that, in practice, SunGuide user access reviews were to be conducted every 2 weeks, our review of the July 2019 and January 2020 SunGuide user access review records disclosed that the reviews only included a list of active Road Ranger operators and did not evidence who performed the review or the results of the review.
- According to Department management, SunGuide only retains a list of active user accounts and does not retain a history of user access, including the dates accounts are removed. Consequently, we were unable to evaluate whether the access privileges for SunGuide users who separated from Department or contractor employment during the period July 2018 through January 2020 were timely removed.

Periodic reviews of user access privileges reduce the risk that unauthorized SunGuide activity may occur and not be timely detected. Without a record of SunGuide user account removal, management cannot demonstrate the timely removal of access upon an employee's separation from Department or contractor employment or when privileges are no longer required.

Recommendation: We again recommend that Department management ensure that periodic reviews of SunGuide user access privileges are performed to verify the continued appropriateness of assigned user access privileges and that records supporting such reviews are retained and evidence who performed the reviews and the results of the reviews. We also again recommend that Department management develop a methodology to retain historical user access privilege records for SunGuide.

SELECTED ADMINISTRATIVE ACTIVITIES

As part of our audit, we also evaluated selected Department administrative activities and controls, including those related to purchasing cards.

Finding 4: Purchasing Card Controls

As a participant in the State's purchasing card program, the Department is responsible for implementing key controls, including procedures for timely canceling purchasing cards upon a cardholder's separation from Department employment or when an employee no longer requires a purchasing card to perform their job duties. According to Department purchasing card policies and procedures,¹³ when a cardholder separated from Department employment or changed positions within the Department, the Purchasing Card Program Administrator (Administrator) was to be notified immediately by the employee's supervisor or cost center manager. Upon notification of an employee's separation from Department employment, the Administrator was to cancel the purchasing card on or before the employee's separation date.

¹³ Department Procedure No. 350-030-010-i, *Purchasing Card*.

To determine whether the Department timely canceled purchasing cards, we examined Department records for 217 purchasing cardholders who separated from Department employment and 4 cardholders who changed positions within the Department during the period July 2018 through January 2020. Our examination disclosed that:

- The purchasing cards for 43 employees were canceled 1 to 215 days (an average of 10 days) after the employees' separation dates. In response to our audit inquiry, Department management indicated that the purchasing cards were not timely canceled due to reasons such as administrative oversight and untimely employment separation notifications to the Administrator.
- The purchasing cards for 3 employees were canceled 2, 6, and 32 days (an average of 13 days) after the employees changed positions and no longer required a purchasing card to perform their job duties. According to Department management, the Administrator was not timely notified of the cardholders' position changes. Additionally, while Department policies and procedures specified a time frame for canceling purchasing cards upon employment separation, the policies and procedures did not provide a time frame for canceling purchasing cards when an employee moved to a new position within the Department and no longer required a purchasing card to perform their job duties.

Although our audit tests did not disclose any charges subsequent to the cardholders' separation from Department employment or change in position, prompt cancellation of purchasing cards upon a cardholders' separation from Department employment or when a cardholder no longer needs a purchasing card to perform their job duties reduces the risk that unauthorized charges will occur.

Recommendation: We recommend that Department management promptly cancel purchasing cards upon a cardholder's separation from Department employment and strengthen policies and procedures to ensure that purchasing cards are timely canceled when a cardholder changes positions within the Department and no longer requires a purchasing card to perform their job duties.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the findings included in our report No. 2017-121.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2020 through October 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Transportation (Department) focused on selected administrative activities. For those areas, the objectives of the audit were to:

- Evaluate management’s performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed into operation to promote and encourage the achievement of management’s control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Determine whether management had corrected, or was in the process of correcting, Findings 15 and 16 disclosed in our report No. 2017-121.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit also included steps to determine whether management had corrected, or was in the process of correcting, Findings 1 through 14 noted in our report No. 2017-121 and related to the Aviation Grant Program, the Commission for the Transportation Disadvantaged (Commission), and the Road Ranger Service Patrol Program (Road Ranger Program).

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit’s findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Evaluated Department actions to correct the findings noted in our report No. 2017-121. Specifically, we:
 - Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department and Commission personnel to obtain an understanding of Aviation Grant Program and Commission responsibilities, processes, and controls.
 - Performed inquiries of Department and District personnel and examined applicable policies, procedures, and records to determine whether the Department had adequately designed and implemented controls, including policies and procedures, for Aviation Grant Program award, payment, and monitoring processes.
 - Obtained an understanding of selected Department information technology (IT) controls for the SunGuide Software and the Data Collection System, assessed the risks related to those controls, evaluated whether selected general and application IT controls for SunGuide Software and the Data Collection System were in place, and tested the effectiveness of the selected controls.
 - From the population of 2,096 Aviation Grant Program payments, totaling \$244,126,781, made during the period July 2018 through January 2020, examined Department records for 40 selected payments, totaling \$36,814,680, to determine whether the payments were properly authorized, supported, reviewed, paid only after receipt of contract deliverables, and accurately recorded in Department records, in accordance with applicable laws, rules, contract provisions, and other guidelines.
 - From the population of 462 Aviation Grant Program contracts, totaling \$458,831,160 in State Financial Assistance (SFA), that were active for at least 1 year as of January 31, 2020, and had received Aviation Grant Program funding during the period July 2018 through January 2020, examined Department monitoring records for 35 selected Aviation Grant Program contracts, totaling \$192,446,424 in SFA, to determine whether the Department adequately monitored the provision of Aviation Grant Program contract deliverables and appropriately and timely followed up on deficiencies noted during monitoring in accordance with contract terms and other applicable guidelines.
 - From the population of 150 Aviation Grant Program contracts, totaling \$101,218,386 in SFA and that ended during the period July 2018 through January 2020, examined Department records for 15 selected contracts, totaling \$17,563,004 in SFA, to determine whether the Department closed out the contracts in accordance with Department procedures.
 - From the population of 262 Aviation Grant Program contracts, totaling \$168,785,075 in SFA and executed during the period July 2018 through January 2020, examined Department records for 25 selected contracts, totaling \$53,950,406 in SFA, to determine whether the contracts were properly recorded in the Florida Accounting Information Resource Subsystem (FLAIR); were awarded in accordance with applicable laws, rules, the Florida Aviation System Plan, and other guidelines; the Department had included in the contracts the provisions required by Section 215.971(1), Florida Statutes; and the Department had provided each subrecipient the information needed to comply with the requirements of the Florida Single Audit Act (FSAA).
 - Examined Department records for 15 of the 75 Aviation Grant Program recipients (12 with single audit reporting packages due during the period July 2018 through June 2020, and 3 that were exempt), to determine whether the Department identified and complied with applicable FSAA requirements for the Aviation Grant Program, and for exempt recipients, received a certification for the exemption.
 - From the population of 1,484 payments, totaling \$87,261,163 and made by the Commission to Community Transportation Coordinators (CTCs) related to trip and equipment grants during the period July 2018 through January 2020, examined Commission records for 40 selected

payments, totaling \$1,618,887, to determine whether the payments were properly authorized, supported, and reviewed in accordance with applicable laws, rules, contract provisions, and other guidelines.

- From the population of 27 CTCs with Department contracts during the period July 2018 through January 2020, examined Commission records and CTC workbooks for 15 selected CTC annual evaluations approved by a local coordinating board during the period July 2019 through January 2020 to determine whether Commission monitoring procedures and processes were documented and adequate to ensure appropriate oversight of the CTCs.
- Examined the Commission's *Annual Performance Report (APR)* for the 2018-19 fiscal year and Commission records for 14 of the 67 Annual Operating Reports completed by CTCs and used to compile the Commission's APR to determine whether Commission controls were effective to ensure that the APR was submitted in accordance with Section 427.013(13), Florida Statutes, and was accurate, complete, supported, and properly reviewed.
- Interviewed Department, District, and Turnpike personnel to determine whether the Department had established Road Ranger Program contract monitoring policies and procedures that specified the criteria, standards, and methods to be used to monitor contracts, the monitoring records to be maintained, and supervisory review requirements.
- From the population of 11 Road Ranger Program contracts, totaling approximately \$192.4 million, that were active at some point during the period July 2018 through January 2020, examined District and Turnpike monitoring records for 5 selected contracts, totaling approximately \$148.1 million, to determine whether monitoring was performed to ensure compliance with Department Road Ranger operator and vehicle requirements specified in Department policies and procedures and Road Ranger Program contracts.
- From the population of 458 Road Ranger Program payments related to contracts in excess of \$35,000 and totaling \$57,520,660, paid during the period July 2018 through January 2020, examined Department records for 40 selected payments, totaling \$6,770,706, to determine whether the payments were sufficiently supported and appropriately reviewed.
- From the population of 2,290 property items acquired during the period July 2018 through January 2020, with related acquisition costs of \$22,296,132, examined Department property records for 25 selected property items with acquisition costs totaling \$317,906 to determine whether Department property records were timely and appropriately updated for acquisitions of tangible personal property.
- Compared Department employee separation dates recorded in People First to the dates FLAIR user access privileges were deactivated to evaluate the timeliness of the deactivations of the FLAIR user accounts assigned to 180 Department employees who separated from Department employment during the period July 2018 through January 2020.
- Observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
 - The administration of purchasing cards in accordance with applicable guidelines. As of January 2020, the Department had 1,684 active purchasing cards.
 - The administration of Department travel in accordance with State law and other applicable guidelines. During the period July 2018 through June 2019, Department travel expenditures totaled \$4,338,624.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial "S".

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Florida Department of Transportation

RON DESANTIS
GOVERNOR

605 Suwannee Street
Tallahassee, FL 32399-0450

JARED W. PERDUE, P.E.
SECRETARY

February 10, 2023

Sherrill F. Norman, CPA
Auditor General
Claude Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

I am pleased to respond to the preliminary and tentative audit findings and recommendations concerning the Auditor General's 2020 operational audit of the Department of Transportation, Selected Administrative Activities and Prior Audit Follow-Up.

As required by Section 11.45(4)(d), Florida Statutes, I have enclosed our responses and Corrective Action Plans for this audit.

I appreciate the efforts of you and your staff in assisting to improve our operations. If you have any questions, please contact our Inspector General, Kristofer Sullivan, at 850-410-5506.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Perdue", is written over a faint, larger version of the signature. Below the signature is the printed name and title of the signatory.

Jared W. Perdue, P.E.
Secretary

JW:ns

Enclosure

www.fdot.gov

**AUDITOR GENERAL 2020 OPERATIONAL AUDIT OF
DEPARTMENT OF TRANSPORTATION (DEPARTMENT)
SELECTED ADMINISTRATIVE ACTIVITIES AND PRIOR AUDIT FOLLOW-UP**

SUMMARY OF FINDINGS AND DEPARTMENT RESPONSE

Finding 1 (Road Ranger Program Contract Monitoring): As similarly noted in prior audit reports, most recently in our report No. 2017-121, the Department had not established a monitoring plan or policies and procedures to ensure that monitoring efforts for Road Ranger Service Patrol Program (Road Ranger Program) contracts were sufficient and that adequate documentation of the monitoring activities performed was maintained.

Recommendation: We again recommend that Department management establish, for District and Turnpike staff use, a Road Ranger Program contract monitoring plan and related policies and procedures that specify the methods to be used to monitor contracts, the monitoring records to be maintained, and supervisory review requirements. We also recommend that District and Turnpike management ensure that monitoring activities are adequately documented and performed in accordance with State law, DFS guidelines, and Department policies and procedures.

Agency Response and Corrective Action Plan:

The Department agrees with the findings that it had not established a monitoring plan or policies and procedures to ensure that monitoring efforts for Road Ranger Service Patrol (RRSP) Program contracts were sufficient and that adequate documentation of the monitoring activities performed was maintained. FDOT Traffic Engineering and Operations Office will revise the procedure written for RRSP operations. The revisions of the RRSP Operations procedure will include the addition of specific methods to be used and documentation to be collected to support contract monitoring. All established document retention policies will be adhered to throughout the contract period.

Estimated Corrective Action Date: 06/30/23

Agency Contact and Telephone Number: Shawn Kinney, Traffic Incident Management Program Manager, Traffic Engineering & Operations Office (TE&O), (850)-410-5631

Finding 2 (Road Ranger Contract Payments): Road Ranger Program payments were not always supported by sufficient documentation. A similar finding was noted in prior audit reports, most recently in our report No. 2017-121.

Recommendation: We again recommend that Department management ensure that District and Turnpike records evidence appropriate corroboration of the services received and amounts billed in accordance with contract requirements prior to the approval of Road Ranger Program contractor invoices for payment.

Agency Response and Corrective Action Plan:

The Department agrees with the findings that contract payments for the Road Ranger Service Patrol (RRSP) Program were not always supported by sufficient documentation. FDOT Traffic Engineering and Operations Office will review and revise the Road Ranger Operations procedure and RRSP Boilerplate Scope of Services. All revisions will include methods and supporting documentation requirements that accurately demonstrate that services have been received and amounts billed in accordance with the contract requirements prior to being approved for payment. All established document retention policies will be adhered to throughout the contract period.

Estimated Corrective Action Date: 06/30/2023

Agency Contact and Telephone Number: Shawn Kinney, Traffic Incident Management Program Manager, TE&O, (850) 410-5631

Finding 3 (SunGuide User Access Privilege Controls): Department user access privilege controls for the SunGuide system used to manage the Road Ranger Program continue to need enhancement.

Recommendation: We again recommend that Department management ensure that periodic reviews of SunGuide user access privileges are performed to verify the continued appropriateness of assigned user access privileges and that records supporting such reviews are retained and evidence who performed the reviews and the results of the reviews. We also again recommend that Department management develop a methodology to retain historical user access privilege records for SunGuide.

Agency Response and Corrective Action Plan: TE&O released a revised Traffic Management Center (TMC) Standard Operating Guide (SOG) in September 2021, after conducting presentations, soliciting comments, and communicating final changes to the Districts. The updated SOG states:

Each District shall develop employee onboarding and offboarding procedures. Offboarding procedures must include timely termination of

access to TMC facilities, systems, programs, and software – such as SunGuide. Each District shall conduct self-checks to ensure that there are no active credentials for former employees. This self-check shall, at a minimum be conducted on an annual basis.

In addition, TE&O developed a reporting enhancement for SunGuide to make historical user access privilege records readily available to end users with administrative privileges (previously, the data existed in the system, but administrators could not easily extract it). TE&O began deploying the enhancement at the district level in February 2022 and finished by the end of May 2022.

Based on the Auditor General's more recent feedback, TE&O will update the SOG to specify documentation requirements for annual reviews. In addition, TE&O will discuss how to incorporate additional AG feedback into its latest SOG revisions at the upcoming February 2023 meeting of its statewide Intelligent Transportation Systems (ITS) working group.

Estimated Corrective Action Date: Completed

Agency Contact and Telephone Number: Christine Shafik, State Transportation Systems Management & Operations Software Engineer, TE&O, (850) 410-5615

Finding 4 (Purchasing Card Controls): The Department did not always promptly cancel purchasing cards upon a cardholder's separation from Department employment or when a cardholder no longer required a purchasing card to perform their job duties.

Recommendation: We recommend that Department management promptly cancel purchasing cards upon a cardholder's separation from Department employment and strengthen policies and procedures to ensure that purchasing cards are timely canceled when a cardholder changes positions within the Department and no longer requires a purchasing card to perform their job duties.

Agency Response and Corrective Action Plan: The Purchasing Card Procedure (#350-030-010) currently states that the P-Card Administrator must be notified immediately when Accountholders either transfer to a new position or separate from the agency. When the P-Card Administrator is not notified timely of an employee separation, the administrator immediately notifies the supervisor (and their direct manager) of the finding.

The Administrator monitors reports provided by Human Resources and through the CAP (Comptroller Automated Platform) on a weekly basis to ensure all separated employees are identified. Additional controls were put in place after an internal IG audit had similar findings. In 2018, the P-Card Administrator began receiving automated *AARF Advance Termination Notification* emails when a

supervisor submitted a termination request through the AARF system. Receiving immediate notification of the AARF requests allows the P-Card Administrator to cancel cards proactively, provided the request was submitted timely. In March 2022, Human Resources updated the "Notice of Separation" form to include specific wording to instruct the supervisor who to notify and how to handle the P-Card.

The P-Card Administrator has recently added a weekly monitoring report to identify employees who transfer positions within the agency. This report is updated based on personnel actions being completed in People First and assists the administrator in identifying active Accountholders that may require action. As with terminating employees, if the action or notification is not completed timely, the P-Card Administrator is unable to take timely action as well.

We will continue to monitor and review controls regarding this activity.

Estimated Corrective Action Date: Completed

Agency Contact and Telephone Number: Robin Naitove, CPA, Comptroller,
(850) 414-4151