

FLORIDA DEPARTMENT OF TRANSPORTATION
6-month Follow-up to the Office of the Auditor General
Audit of the State of Florida
Compliance and Internal Controls over Financial Reporting and Federal Awards
Florida Department of Transportation
Report Number 2015-166

Finding No. 2014-012: The FDOT did not always maintain documentation to ensure that access to the Consultant Invoice Transmittal System (CITS) and the Laboratory Information Management System (LIMS) was accessible only to authorized users for authorized uses.

The FDOT utilized the CITS and LIMS to track payments to vendors and to ensure that materials used in projects were laboratory tested. CITS was developed to reduce the dependence on manually processed paper documents and allows for the electronic generation and submittal of invoices by consultants over the Internet. CITS generated 26,740 invoices totaling \$880,454,753 during the 2013-14 fiscal year. LIMS is a data management program used to report sampling, testing, and business decisions related to the FDOT's quality assurance program. During the 2013-14 fiscal year, 488,633 tests were logged into LIMS.

The FDOT used the Automated Access Request Form System (AARFS) to document access authorization to its various systems. Access requests and approval were recorded and maintained within the AARFS. We reviewed access documentation for two external and eight internal CITS users and six external and four internal LIMS users and noted that access authorization forms were not available for five of the internal CITS users and one of the internal LIMS users.

FDOT staff indicated that documentation may not have been maintained for users whose access was approved prior to the implementation of the AARFS.

Absent appropriate access authorization documentation for all CITS and LIMS users, the FDOT cannot demonstrate that access was appropriately limited to authorized users for authorized uses.

Recommendation: We recommend that the FDOT adhere to established access authorized procedures and maintain access authorization documentation for all authorized CITS and LIMS users.

Audit Response: FDOT concurs. The Department shall implement the following corrective action plan to resolve the identified deficiencies and improve the overall security of the access controls for the stated systems. By June 15th, 2015, the Office of Information Systems shall work with the appropriate application owners to recertify that users with access to the documented systems, CITS and LIMS still require access privileges and that all users with access to CITS and LIMS have documented access authorization approvals in the Automated Access Request Form System (AARF).

6-month Follow-up Response: The recertification of CITS and LIMS users has not been completed. LIMS is currently undergoing major revisions, therefore a recertification would not be prudent until the revisions are complete. The recertification of CITS is planned for the 2015/2016 Fiscal Year.

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Finding No. 2014-013: FDOT staff did not timely review subrecipient audit reports to determine whether management decisions and corrective actions were required.

The FDOT expended approximately \$150 million in Program funding to 195 subrecipients during the 2012-13 fiscal year. The FDOT had established procedures for obtaining OMB Circular A-133 audits from subrecipients that expended \$500,000 or more in Federal funding and for requiring staff to timely review the audit reports received. FDOT staff also maintained a database of subrecipient single audit information. Our examination of the information maintained for the 2011-12 subrecipient fiscal year related to 17 subrecipients disclosed that FDOT staff did not timely review 4 of the subrecipient audit reports received as of December 31, 2013. The number of days between the receipt of the 4 audit reports and the date of FDOT review ranged from 14 to 62 days.

FDOT staff indicated that the review process was decentralized resulting in delays.

Absent the timely review of all required subrecipient audit reports, FDOT management lacked assurance that the subrecipients complied with laws, regulations, and provisions of contracts and grant agreements and could not demonstrate that any management decisions were timely issued to promote prompt corrective actions.

Recommendation: We recommend that the FDOT ensure that, upon receipt, subrecipient audit reports are timely reviewed and any related management decisions are timely issued.

Audit Response: FDOT concurs. The Department centralized the single audit compliance process in January 2014 and the district program managers (FDOT Staff) are no longer responsible for reviewing sub recipient single audit reporting packages. Single audit compliance is now the responsibility of one Single Audit Specialist. We also developed a new system (SARA) to document our single audit compliance and it includes a parameter that tracks the due date for the 6-month review. This new process and system will ensure that audit reports are reviewed timely and any management decisions are issued within the required time frame.

6-month Follow-up Response: Corrected.

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Finding No. 2014-014: FDOT procedures were not sufficient to ensure that the Federal Financial Reports (FFRs) were properly completed. As a result, the FDOT submitted FFRs during the 2013-14 fiscal year that may have included inaccurate information.

The Federal Transit Administration (FTA) requires recipients to quarterly report Federal cash receipts and disbursements, Federal expenditures and unobligated balances, and recipient share (matching and cost sharing by the State and local governments).

Our review of the cumulative amounts reported on the September 30, 2013, quarterly report disclosed differences between FDOT records and the amounts reported.

The FDOT did not have adequate written procedures related to the accurate completion of the FFRs. Additionally, a sufficient independent review of the reports prior to submission may have detected the differences; however, the FDOT did not document such review or approval. The FDOT may have submitted inaccurate data to the FTA.

Recommendation: We recommend that the FDOT enhance written procedures to ensure the amounts reported on the quarterly FFRs are accurate.

Audit Response: FDOT concurs. The new process was implemented with the FFR submitted for the 1st quarter of FFY 2015. The revised FFR reporting process is provided for reference.

6-month Follow-up Response: Corrected.