

Office of Inspector General
Robert E. Clift, Inspector General 

Utility Overhead Certification
 Advisory Report No. 14I-5002

August 22, 2014

As part of the Office of Inspector General's efforts to monitor compliance with Title 23, Part 645.117(d)(2), Code of Federal Regulations (C.F.R.), we requested written assurance from utility entities who were paid \$500,000 or more by the State of Florida Department of Transportation (department), that they only included allowable costs for utility relocation projects.

23, C.F.R. 645.117(d)(2), states:

Costs not eligible for Federal reimbursement include, but are not limited to, the costs associated with advertising, sales promotion, interest on borrowings, the issuance of stock, bad debts, uncollectible accounts receivable, contributions, donations, entertainment, fines, penalties, lobbying, and research programs.

During fiscal year ended June 30, 2013, the department paid five entities \$500,000 or more for the relocation of utilities as follows:

Entity	State Funding	Federal Funding	Total
Orlando Utilities	\$ 3,944,402.87	\$ 152,578.34	\$ 4,096,981.21
Tampa Electric	\$ 1,570,899.46	\$ 1,100.00	\$ 1,571,999.46
City of Lakeland	\$ 742,955.29	\$ -	\$ 742,955.29
Jacksonville Electric Authority	\$ -	\$ 525,978.32	\$ 525,978.32
City of West Palm Beach	\$ 501,273.69	\$ -	\$ 501,273.69

We received letters of assurance from each of these entities. As a result of the request for certification, Jacksonville Electric Authority voluntarily performed an in-house audit of their overhead rates for the period July 1, 2009 through June 30, 2013. On February 27, 2014, a \$22,516.76 refund was issued to the department.

Please let us know if you have any concerns or information indicating entities are not fully compliant with the above specified requirements. If applicable, we can discuss options for future audits or reviews which could serve to provide a greater level of assurance.

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

DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE

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Project Team:

Engagement was conducted by Connie Davis, Auditor
Under the supervision of:
Intermodal Audit Manager; and
Kristofer B. Sullivan, Director of Audit
Approved by: Robert E. Clift, Inspector General

Statement of Accordance

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

*The mission of the Office of Inspector General is
to promote integrity, accountability and process improvement in the Department of
Transportation by providing objective fact-based assessments to the DOT team.*

This work product was prepared pursuant to Section 20.055, Florida Statutes, in accordance with the applicable Principles and Standards for Offices of Inspectors General as published by the Association of Inspectors General and the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

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