

**Office of Inspector General
Robert E. Clift, Inspector General**



Audit Report No. 16I-5001
Utility Overhead Certification

June 10, 2016

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.), written assurance stating that utility relocation projects included only allowable costs was requested from companies performing utility relocation work who received \$100,000 or more in federal pass-through funds from the State of Florida Department of Transportation (department).

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, 2015, four entities received \$100,000 or more of federal pass-through funds from the department. Of these four entities, a total of \$3,515,502 for the relocation of utilities was disbursed and \$1,626,183 (46%) consisted of federal pass-through funds.

As a result of the request for certification, all four entities provided letters assuring compliance for federal pass-through funds with 23 C.F.R. 645.117(d)(2), as shown in the table below.

Entity	Federal Funds	State Funds	Bond Funds	Total Funding
Florida Power and Light	\$ 634,038	\$ 1,557,748	\$ -	\$ 2,191,786
Jacksonville Electric Authority	\$ 450,794	\$ 264,002	\$ -	\$ 714,796
Regional Utilities	\$ 142,149	\$ -	\$ -	\$ 142,149
TCG South Florida	\$ 399,202	\$ -	\$ 67,569	\$ 466,771
Total	\$ 1,626,183	\$ 1,821,750	\$ 67,569	\$ 3,515,502
Percentage	46%	52%	2%	100%

Source: Florida Accounting Information Resource (FLAIR)

No state criteria exists that is comparable to the federal requirements found in 23 C.F.R. 645.117(d)(2), for the remaining \$1,821,750 or 52 percent, that was disbursed.

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

DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE

Information Distribution:

Jim Boxold, Secretary
Mike Dew, Chief of Staff and Legislative Programs
Brian Blanchard, P.E., Assistant Secretary for Engineering and Operations
Phillip Gainer, P.E., Chief Engineer
Mark Wilson, P.E., State Traffic Operations Engineer
Thomas R. Bane, P.E., State Utilities Engineer
Melinda Miguel, Chief Inspector General, Executive Office of the Governor

Project Team:

Engagement was conducted by Javaughn Matthews, Audit Team Leader
Under the supervision of:
Bill Pace Interim 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.*

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