



## Commercial Motor Vehicle Enforcement Interstate New Entrant Grant Audit Report 201112-28

October 30, 2012

### Executive Summary

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The Grants Administration Office within the Office of Performance Management serves as the point of coordination of all grant funded projects and initiatives and provides oversight to ensure that all grant funded projects comply with grantor requirements, state and federal laws, and Executive Leadership Team guidance.

The U.S. Department of Transportation Federal Motor Carrier Safety Administration provides financial assistance through grants and cooperative agreements to further public purposes. The interstate new entrant grants provide financial assistance to states in an effort to create consistent and effective commercial motor vehicle safety programs to reduce the number and severity of crashes and hazardous materials accidents involving commercial motor vehicles. An interstate new entrant grant of \$122,000 was awarded to the Office of Commercial Motor Vehicle Enforcement to conduct 1,000 interstate new entrant safety audits from October 1, 2011 through September 30, 2012.

Florida Legislature transferred the Office of Commercial Motor Vehicle Enforcement from the Department of Transportation to the Department of Highway Safety and Motor Vehicles in July 2011.

During our evaluation, we identified the following issues with the management of the new entrant safety assurance grant that require management attention:

- Quarterly performance reports do not accurately report the number of safety audits completed for the quarter.
- The grants database does not contain all documentation required by the Grant Management Procedure.

The Office of Performance Management and the Florida Highway Patrol generally agreed with the findings and recommendations.

## **Background and Introduction**

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The Grants Administration Office (GAO) within the Office of Performance Management serves as the point of coordination and knowledge of all grant funded projects and initiatives within the agency. The GAO provides oversight of the grant portfolio and ensures that all grant funded projects comply with grantor requirements, state and federal laws, and Executive Leadership Team guidance. It also, researches, identifies and solicits grant funding for the agency.

The U.S. Department of Transportation Federal Motor Carrier Safety Administration (FMCSA) provides financial assistance through grants and cooperative agreements to further public purposes. The interstate new entrant grants provide financial assistance to states in an effort to create consistent and effective commercial motor vehicle safety programs to reduce the number and severity of crashes and hazardous materials accidents involving commercial motor vehicles. The FMCSA awards these grants to states and local governments to conduct interstate new entrant safety audits on interstate commercial motor vehicle carriers. A safety audit is an examination of a motor carrier's operations to provide educational and technical assistance on safety and the operational requirements of the Federal Motor Carrier Safety Regulations and applicable Hazardous Materials Regulations and to gather critical safety data needed to make an assessment of the carrier's safety performance and basic safety management controls.

Florida Legislature transferred the Office of Commercial Motor Vehicle Enforcement (CVE) from the Department of Transportation to the Department of Highway Safety and Motor Vehicles (Department) in July 2011. The purpose of the CVE is to protect the motoring public and transportation infrastructure from commercial motor vehicles. An interstate new entrant grant of \$122,000 was awarded to CVE to conduct 1,000 interstate new entrant safety audits from October 1, 2011 through September 30, 2012.

## **Findings and Recommendations**

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During our evaluation, we identified issues with the management of the CVE New Entrant Grant that require management attention.

### ***Performance Progress Reporting***

The Federal Motor Carrier Safety Administration Grants Management manual requires submission of quarterly reporting packages no later than thirty days from the end of the federal fiscal quarter.

The objective of the grant is to conduct 1,000 safety audits during the October 1, 2011 through September 30, 2012 federal fiscal year. Progress toward the grant objective is reported in the quarterly performance reports. Troopers send documentation of the safety audits to FMCSA for review and acceptance. Some of the safety audits are returned to the troopers by FMCSA for edits and corrections. This process of review, correction and acceptance has caused delays in reporting safety audits to the Office of Performance Management. Some of the safety audits were not received by the Office of Performance Management until after the quarterly performance report for the period was filed. This caused the quarterly performance report to understate the reported number of safety audits completed.

### **Finding 1**

Quarterly performance reports do not accurately report the number of Safety Audits completed for the quarter.

### **Recommendation**

We recommend the Office of Performance Management and Florida Highway Patrol work with FMCSA to eliminate delays in FMCSA reviews of safety audit reports and/or modify reporting to accurately reflect the number of completed safety audits per quarter.

### **Management Response**

The Office of Performance Management and FHP concurs with the recommendation in Finding 1.

This finding is the result of a timing issue between the date that Safety Audits were completed and the date the Quarterly Reports were filed with the grantor. The Department's quarterly grant reports contained the best available information that we had at the time they were filed. We are aware that immaterial variances (due to late-filed Safety Audits or Safety Audits still in progress) may occur, and we will ensure that future reports identify any adjustments or corrections to previously reported amounts. We would also note that there was no impact on the Department, as we have

successfully completed 100 percent of the Safety Audits required by the grantor, and our Final (closeout) report will accurately reflect the total number of Safety Audits performed during the grant period.

### ***Grant Documentation***

The Grants Administration Office Grant Management Procedure provides the requirements for maintaining grant documentation. Grant documentation is described as all grant records, official correspondence, forms, documents, invoices, budget amendments/modifications, reports, performance reports, direct orders, payroll documents, expense documents and reimbursement claims. The grant documentation must be organized and maintained in a binder and also scanned and attached in the grants database. This includes attaching all grant documents, reports, modifications and approvals. The grants database is located on the Office of Performance Management SharePoint site.

Some of the grant documentation of FMCSA deadline extension approvals and amended quarterly reports was not maintained in the grants database.

### **Finding 2**

The grants database does not contain all documentation required by the Grant Management Procedure.

### **Recommendation**

We recommend the Office of Performance Management organize and maintain supporting documentation for grants on the grants database as required by the Grants Management procedure.

### **Management Response**

The Office of Performance Management and FHP concurs with the recommendation in Finding 2.

Department guidelines for grant management require Grant Managers to comply with all grantor requirements and to maintain complete and organized files of all grant-related documents. Department Policy 11.06 further states, in part, that the Grant Manager must input data and attach all grant related documents into the grant database as well as other databases as required by the agency and/or grantor. During the audit period, the Grant Manager maintained all of the required documentation necessary to properly manage the grant. Because much of the information was retained in hard copy (in notebook binders) as required by the grantor, not all of the information had been properly scanned into and retained within the grant database. We will remind all of our Grant Managers and Grant Advisors of the importance of properly maintaining the grant

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database with all grant related documentation in addition to the other documentation required.

## **ATTACHMENT 1 - Purpose, Scope and Methodology**

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The **purpose** of this audit was to review the management of the Commercial Vehicle Enforcement Interstate New Entrant Grant.

The **scope** of this audit is the grant management process of the commercial motor vehicle interstate new entrant grant from July 1, 2011 through June 30, 2012.

The **methodology** included:

- Reviewing applicable statutes, rules, manuals and procedures;
- Interviewing appropriate Department staff;
- Reviewing grant application packages;
- Reviewing grant quarterly performance reports;
- Reviewing grant quarterly vouchers;
- Reviewing Department correspondence with FMCSA; and
- Reviewing grant documentation.

## **ATTACHMENT 2 - Audit Team and Statement of Accordance**

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### **Engagement Team**

Ashlea Whiddon, CIGA, Auditor  
Ronnie Atkins, CPA, CIA, CMA, Audit Director

### **Statement of Accordance**

Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate and report on policies, plans, procedures, accounting, financial and other operations of the Department and to recommend improvements.

This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and Principles and Standards for Inspectors General published by the Association of Inspectors General.

**ATTACHMENT 3 - Addressee and Distribution List**

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Julie L. Jones, Executive Director  
Col. David Brierton, Director of Florida Highway Patrol

Copies distributed to:

Diana Vaughn, Deputy Executive Director  
Stacy Arias, Chief of Staff  
Jim McCallister, Director of Workforce Services  
Dave Westberry, Chief Performance Officer  
Lt. Col. Kelly Hildreth, Director of Florida Highway Patrol Operations  
Major Dan Starling, Florida Highway Patrol  
Captain Kenny Morris, Florida Highway Patrol, Interstate New Entrant Program  
Manager

Melinda M. Miguel, Chief Inspector General  
David W. Martin, Auditor General

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**ATTACHMENT - Management Response**



**Julie L. Jones**  
Executive Director

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Tallahassee, Florida 32399-0800  
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**MEMORANDUM**

October 16, 2012

TO: Julie Leftheris, CPA  
Inspector General

FROM: *DFW* David F. Westberry, Chief Performance Officer  
*DDO* Major Dan Starling, Florida Highway Patrol, Commercial Vehicle Enforcement

SUBJECT: Audit Response

We appreciate the opportunity to respond to the findings resulting from your recent audit of the Department of Highway Safety and Motor Vehicles' Commercial Motor Vehicle Enforcement (CVE) Interstate New Entrant Grant program.

On behalf of the Division of Florida Highway Patrol and the Office of Performance Management's Grants Administration Office, we offer the following responses to your Findings and Recommendations:

**Finding #1** – Quarterly performance reports do not accurately report the number of Safety Audits completed for the quarter.

**Response #1** – We concur.

This finding is the result of a timing issue between the date that Safety Audits were completed and the date the Quarterly Reports were filed with the grantor. The Department's quarterly grant reports contained the best available information that we had at the time they were filed. We are aware that immaterial variances (due to late-filed Safety Audits or Safety Audits still in progress) may occur, and we will ensure that future reports identify any adjustments or corrections to previously reported amounts. We would also note that there was no impact on the Department, as we have successfully completed 100 percent of the Safety Audits required by the grantor, and our Final (closeout) report will accurately reflect the total number of Safety Audits performed during the grant period.

**Finding #2** – The grants database does not contain all documentation required by the Grant Management Procedure.

**Response #2** – We concur.

Department guidelines for grant management require Grant Managers to comply with all grantor requirements and to maintain complete and organized files of all grant-related documents.

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Julie Leftheris  
Page 2  
October 16, 2012

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DW/DS/pt

cc: Jim McCallister, Director of Workforce Services  
Lt. Col. Kelly Hildreth FHP Deputy Director  
Captain Kenny Morris, FHP New Entrant Program Manager