



**Onondaga County Department of Transportation
Federal Funding for Highway Construction and Planning**

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SECTION I

BACKGROUND & EXECUTIVE SUMMARY

Background

The Onondaga County Department of Transportation (OCDOT) is required to administer and oversee all Federal Highway Transportation funding used for highway purposes. The Federal-Aid Highway Planning and Construction Program supports State highway systems by providing financial assistance for the construction, maintenance, and operations of highways and secondary roads. Federal funds are passed to local governments through the State. A general requirement of federal funding is matching state and local funds for each project.

The audit of Federal Awards is to provide reasonable assurance the funds are expended only for allowable activities and costs of goods and services defined in each Federal Award and are in accordance with the applicable principles. Funds may be used to pay for planning and research activities and bridge and safety improvements on public roads.

The Federal-Aid Highway Planning and Construction Program incurred in excess of \$6.9 million in reimbursable expenditures and was selected as part of Onondaga County's annual Single Audit for the year ending 2024. This includes expenditures for design and engineering as well as construction and paving for bridges and roads throughout Onondaga County.

Executive Summary

Over the course of the audit, we noted the following issue:

- 5 of the 40 expenditure vouchers tested were not approved for payment by OCDOT management.

Our Recommendations include:

- *Ensure all necessary documents are properly reviewed and approved by department management prior to submitting for payment through the financial accounting system.*

SECTION II

SCOPE AND METHODOLOGY

Scope and Objectives:

The purpose of this report is to provide Onondaga County's Department of Transportation management with information and recommendations on the internal controls and operating effectiveness as it pertains to allowable expenditures for the Federal Aid Highway program. In order to gain an understanding of their current process we analyzed a variety of data during the audit period of January 1, 2024 through December 31, 2024.

Our objectives for the audit were to:

- Determine if expenditures claimed for reimbursement were expended for allowable activities and were charged to the proper federal award.

Methodology:

In order to complete our objectives we:

- Reviewed the United States Office of Management and Budget's (OMB) 2024 Highway Planning and Construction Program Compliance Supplement detailed under the Catalog of Federal Domestic Assistance (CFDA) #20.205
- Reviewed applicable laws, policies, procedures and regulations to attain an understanding of the Federal Highway Planning and Construction Program.
- Interviewed staff and management responsible for oversight and implementation of the aforementioned laws, policies, procedures and regulations.
- Selected and tested a sample of 40 expenditures in order to determine if internal controls are operating effectively to properly determine allowability with the Federal Highway Planning and Construction program.
- Finalized our findings and recommendations and included them in this report.

SECTION III

FINDINGS AND RECOMMENDATIONS

During the course of testing 40 vouchers processed in 2024 we noted 5 vouchers were not properly approved by management for payment to the vendor.

Recommendation

We recommend the Department's administration review policies and procedures for approving vendor invoices for payment with all necessary personnel.