

# FTA STATE PROGRAMS MEETING

SOUTH CAROLINA DEPARTMENT  
OF TRANSPORTATION

# Compliance & Oversight Background

- ▣ SCDOT internal review prior of 2006 reported lack of proper oversight of sub-recipients.
- ▣ OPT contracted Milligan and Company to implement review policies and procedures
- ▣ SCDOT cost benefit analysis at end of the 2 year contract period revealed cost savings if reviews were done in-house
- ▣ Brought compliance reviews in-house

# Compliance & Oversight Review

- ▣ 13 agencies receive State funds to assist urban providers with local match
  - State law requires audit of State funds
  - OPT requires agencies to submit annual audit report with “Schedule of Budget to Actual”

# Compliance & Oversight Review cont.

- ▣ 21 rural sub-recipients
  - Perform desk and on-sight review
- ▣ Currently review 21 components
- ▣ Starting July 1, 2016 will review 14 components

# C & O Review - Process

- ▣ 2 teams perform reviews based on regional assignments
- ▣ Teams consist of a Regional Program Manager, Safety & Security Program Manager, Asset Manager and 2 Fiscal Analysts
- ▣ Coordinate with SCDOT Business Development Office on civil rights (Title VI, EEO, ADA & DBE)
- ▣ Consult with SCDOT Legal and Procurement Office, as needed

# C & O Review - Procedures

- ▣ Submit proposed schedules to reviewees for upcoming review period
- ▣ Reviewees are emailed actual schedule
- ▣ Sub-recipients receive review documentation:
  - document request list with required submission and appointment dates
  - program and/or financial questionnaires
  - sub-recipient agency profile



## C & O Review – Procedures cont.

- ▣ Entrance conference is performed
  - follow up on previous review issues
  - discuss current review procedures and agency points of contact
- ▣ Exit conference is performed
  - discuss recommendations, findings and corrective actions
- ▣ Submit draft report to Executive Director for response
- ▣ Submit final report to oversight board chairperson or City/County Administrator

# C & O Review –Recurring Issues

- ❑ Procurement Files – lack documentation to support process
- ❑ Procurement – not identifying federal clauses in contracts, or contract # on requisitions and/or purchase orders
- ❑ Monitoring Documentation – agency is not documenting its monitoring activities of staff or third party contractors
- ❑ Performance Reviews – agency not doing performance reviews of staff
- ❑ Maintenance – agency is not updating asset conditions, not tracking warranties, and have some missed PMs



## C & O Review – Recurring Issues cont.

- ▣ Safety & Security – fire extinguisher inspections not timely and non-operating windows
- ▣ Drug & Alcohol – random drug testing does not cover total days and hours of agency operations
- ▣ Drug & Alcohol – using FTA documents when agency procedures are outside of FTA requirements
- ▣ Marketing – no written procedures

# C & O Review – Recurring Issues

## cont

- ▣ Business Plan – no plan that identifies agency goals and objectives
- ▣ Financial Management
  - fixed asset records don't contain all required federal information
  - monthly reimbursements not timely and forms not correctly completed
  - no reconciliation documents maintained with monthly reporting documents

## C & O Review – Recurring Issues cont.

- Cost Allocation Plan – no cognizant approved indirect cost rate or common cost allocation methodology
- Cost Allocation - Agency lack of understanding system generated cost allocation calculations
- Fare Cash Count – not performed in secure area, not tracking used tickets to ticket logs and not making timely deposits

## C & O Review – Corrective Action

- ▣ Recurring issues resulted in OPT creating:
  - new written procedures
  - standardized forms
  - templates for required plans and manuals based on sub-recipient best practices

## C & O Review – Supplemental Documents

- ▣ Use annual audit to track compliance
  - A-133 audits when federal threshold is met
  - Financial Statement audit when A-133 scope is not met and agency expends \$100,000 or more in OPT administered federal funds
  - Financial Statement audit when agency expends state funds

# SCDOT Office of Public Transit

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