

SHASTA COUNTY RTPA POLICY AND PROCEDURE MANUAL		Number
		6-6 Rev. 1
SECTION: TDA Guidelines and Procedures	TDA Compliance and Fiscal Audits	
APPROVAL DATE: 6-26-07 Rev. 1		
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**PROCEDURES TO INCLUDE TRANSPORTATION DEVELOPMENT ACT (TDA)
ANNUAL COMPLIANCE AND FISCAL AUDIT IN AGENCY ANNUAL AUDITS, AND
PROVIDE DOCUMENTATION FOR AUDITS**

BACKGROUND

Pursuant to Public Utilities Code Section 99245, the transportation planning agency shall be responsible for ensuring that all claimants to whom it directs the allocation of funds submit to the planning agency an annual certified fiscal audit conducted by an entity other than the claimant.

The Shasta County Regional Transportation Planning Agency (SCRTPA) has previously incorporated the claimant's annual TDA fiscal and compliance audits into the SCRTPA audit. This policy, as amended, will allow for the claimants to include the TDA audits within the scope of their own annual fiscal audits.

If a claimant determines that they will include the TDA fiscal audit within the scope of their annual fiscal audit, the claimant must notify the SCRTPA no later than June 1 of each calendar year of their determination. The SCRTPA will provide a document to the claimant prior to June 1 requesting that the claimant verify if the claimant will include the annual TDA audit, or if the audit will be included in the SCRTPA annual audit.

If the claimant requests that the SCRTPA include the TDA fiscal audit within the SCRTPA annual audit, the claimant shall designate one point of contact for all responses, documents and/or data regarding the audit.

Any federal monies received from the SCRTPA must be audited under *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

A report on the audit shall be submitted to the SCRTPA within 180 days after the end of the fiscal year. The planning agency may grant an extension of up to 90 additional days as it deems necessary. The claimant's annual TDA audit must comply with *Article 5.5 of the TDA Statutes and California Code of Regulations*. The claimant must provide a separate report, and the audit report shall include a certification of compliance with the Act.

Allocations may be delayed to any claimant that is delinquent in its submission of a fiscal and compliance audit report.

If a claimant determines that the SCRTPA is to include their audit within the SCRTPA annual audit, the following documentation must be provided to the SCRTPA no later than 30 days following the end of the claimant's fiscal year end:

1. General Ledger Detail for the audit period.
2. Reconciliation of cash balances. This reconciliation should agree to the agency's general ledger with adjustments to agree to the amount per the trial balance.
3. General Ledger Detail for the period July 1 to September 30 subsequent to the audit period.
4. Budgets for Revenues and Expenditures of TDA funds for the fiscal year.
5. Audited Financial Statements for the current year.
6. Documentation to support expenses funded by TDA disbursements.
7. Additional requests as needed by external auditors.

PROCEDURES

1. Prior to June 1 of each year, the SCRTPA will provide documentation for claimant to confirm if the claimant or the SCRTPA will include the TDA audit within the scope of its annual fiscal and compliance audit.
2. If the claimant will provide its own TDA audit, the claimant is to provide a certification of compliance with the TDA act no later than 180 days after the close of the fiscal year. A period of no longer than 90 days may be granted to the claimant by the SCRTPA if deemed necessary.
3. If the SCRPTA is to include the TDA audit within its annual audit, the requested documentation must be provided to the SCRTPA no later than 30 days after the claimant's fiscal year end.
4. Claimant certified audited financial statements shall be provided to the SCRTPA no later than 180 days after the end of the fiscal year, or no later than 270 days from the end of the fiscal year if an extension has been granted.
5. Allocation for claimant may be delayed if delinquent in submission of their annual fiscal and compliance audit, or if claimant fails to provide requested documentation within the allotted time period.

Recommendation

To ensure compliance with Sec IV.9 of the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, it was recommend that the Shasta County RTPA establish contracts with their subrecipients that require their subrecipients to audit the monies received from the RTPA under Circular A-133.

Status

The Shasta County RTPA has not adopted a written formal policy requiring their subrecipients to audit the monies received from the RTPA under Circular A-133.

CONCLUSION

Overall, our conclusion is that the Agency is functioning in an efficient and effective manner. Agency staff appears to be proactive and aware of relevant laws, rules and regulations and continually attempt to improve the Agency's operations. The most significant of our recommendations is the review of the Agency's internal controls to insure farebox ratios are calculated correctly and to withhold TDA funds when operator fails to meet the required farebox ratio.