

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2013

**ORANGE COUNTY LOCAL
TRANSPORATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2013

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2013. Please refer to the individual divider tab for our report on each Agency.

City of Irvine

City of Newport Beach



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES – CITY OF IRVINE**

Board of Directors

Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Irvine's (City) compliance with the provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Results: No exceptions were noted as a result of our procedures.

2. We documented which fund(s) the City used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City's expenditures are tracked in the general ledger by fund, and object. The City records its Senior Mobility Program expenditures in its General Fund. During the fiscal year ended June 30, 2013, the City reported total program expenditures of \$791,645, which included the City's match. No exceptions were noted as a result of our procedures.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City's Measure M2 Senior Mobility Program as of June 30, 2013 and determined whether funds were expended within three of years of receipt.

Results: The City received \$272,346 for the past three fiscal years. There was no remaining cash balance for these funds as of June 30, 2013. No exceptions were noted as a result of our procedures.

4. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M2 Senior Mobility Program Fund.

Results: No exceptions were noted as a result of our procedures.

5. We verified that the City satisfied the requirement of a twenty percent (20%) match of the total annual formula allocation.

Results: The total match expenditures amounted to \$650,932, which is approximately 463% of the total annual formula allocation of \$140,712. No exceptions were noted as a result of our procedures.

6. We haphazardly selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which would have included a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
- b. Verified that the expenditure selected above in (a) were exclusively for the Senior Mobility Program and meets the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Results: A total of \$165,264 expenditures were tested, representing approximately 21% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

7. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

8. We determined if the City contracts with a third party service provider for senior transportation service, and performed the following:

- a. Verified that the contractor was selected using a competitive procurement process.
- b. Reviewed the contract agreement to ensure the inclusion of the term: "Wheelchair accessible vehicles are available and used when requested."

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City did not contract with a third party service provide for senior transportation service. No exceptions were noted as a result of our procedures.

9. We obtained proof of insurance coverage for the City's contractor (if applicable) and we performed the following:
 - a. Reviewed the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Verified that the proof of insurance was submitted to OCTA prior to commencement of any work and within ten (10) calendar days from the effective date of the Cooperative Agreement.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City did not contract with a third party service provider for senior transportation service. No exceptions were noted as a result of our procedures.

10. We obtained and sampled monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Results: Through review of the City's monthly summary reports, it was noted that the monthly expense reported agreed to supporting documentation. However, we noted two instances where documentation evidencing the submission of the reports within 30 days was not retained by the City. Management asserted that the reports were submitted within 30 days of the month end as required. No other exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Laguna Hills, California
January 23, 2014



January 23, 2014

Board of Directors
Orange County Local Transportation Authority and
Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

Subject: City of Irvine (COI) Draft Response to Orange County Local Transportation Authority (OCTA) Fiscal Review of 2012-2013 (FY 2012-13) Measure M2 Senior Mobility Program (SMP).

The following response is being submitted to address results from the fiscal review conducted for the period covering FY 2012-13.

Finding #10: We obtained and sampled monthly summary reports and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Results: Through review of the City's monthly summary reports, it was noted that the monthly expense reported agreed to supporting documentation. However, we noted two instances where documentation evidencing the submission of the reports within 30 days was not retained by the City. Management asserted that the reports were submitted within 30 days of the month end as required. No other exceptions were noted as a result of our procedures.

Response: City of Irvine staff properly prepares and provides monthly reports in a timely manner, within thirty (30) calendar days of month end. City of Irvine staff recalls reports for August and November 2012 were originally sent in a timely manner via email, however, in February 2013, OCTA requested staff to resend the monthly reports.

City staff has implemented additional tracking to ensure monthly reports are received in a timely manner and receipt of reports is tracked. Staff will be requesting email receipts from OCTA of monthly report submissions and screen shots which are saved and kept on file to show timely submission and acceptance.

Sincerely,

Corinne Schneider-Jones
Community Services Manager

Susie Blanco
Community Services Supervisor

cc: Sheila Driscoll, Community Services Superintendent



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES —CITY OF NEWPORT BEACH**

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Newport Beach's (City) compliance with the provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Results: No exceptions were noted as a result of our procedures.

2. We documented which fund(s) the City used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City's expenditures are tracked in the general ledger by fund and object. The City records its Senior Mobility Program expenditures in its General Fund. During the fiscal year ended June 30, 2013, the City reported total program expenditures of \$609,365, which included the City's match. No exceptions were noted as a result of our procedures.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made by OCLTA to the City and calculated the amount the City received by the City for the past three fiscal years. We obtained the cash balance of the City's Measure M2 Senior Mobility Program as of June 30, 2013 and determined whether funds were expended within three of years of receipt.

Results: The City received \$220,454 for the past three fiscal years. There was no remaining cash balance for these funds as of June 30, 2013. No exceptions were noted as a result of our procedures.

4. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M2 Senior Mobility Program Fund.

Results: No exceptions were noted as a result of our procedures.

5. We verified that the City satisfied the requirement of a twenty percent (20%) match of the total annual formula allocation.

Results: The total match expenditures amounted to \$499,247, which is approximately 453% of the total annual formula allocation of \$110,118. No exceptions were noted as a result of our procedures.

6. We haphazardly selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which would have included a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.
- b. Verified that the expenditure selected above in (a) were exclusively for the Senior Mobility Program and meets the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Results: A total of \$97,918 expenditures were tested, representing approximately 16% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

7. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

8. We determined if the City contracts with a third party service provider for senior transportation service, and performed the following:

- a. Verified that the contractor was selected using a competitive procurement process.
- b. Reviewed the contract agreement to ensure the inclusion of the term: "Wheelchair accessible vehicles are available and used when requested."

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City did not contract with a third party service provide for senior transportation service. No exceptions were noted as a result of our procedures.

9. We obtained proof of insurance coverage for the City's contractor (if applicable) and we performed the following:
- a. Reviewed the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Verified that the proof of insurance was submitted to OCTA prior to commencement of any work and within ten (10) calendar days from the effective date of the Cooperative Agreement.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City did not contract with a third party service provider for senior transportation service. No exceptions were noted as a result of our procedures.

10. We obtained and sampled monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Results: Through review of the City's monthly summary reports, it was noted that the monthly expense reported agreed to supporting documentation. However, two of the reports tested were not submitted to OCTA within 30 calendar days of month end. No other exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Laguna Hills, California
December 13, 2013



CITY OF NEWPORT BEACH

FINANCE DEPARTMENT

December 13, 2013

Orange County Local Transportation Authority
P.O. Box 14184
Orange, CA 92863-1584

Dear Orange County Local Transportation Authority,

As a result of the audit conducted by Vavrinek, Trine, Day & Co., LLP for the Senior Mobility Program AUP audit, monthly summary reports were sampled. Through the review of the City's monthly summary reports, it was noted that the monthly expense reported agreed to supporting documentation. However, two of the reports tested were not submitted to OCTA within 30 calendar days of month end. The transportation staff at the City of Newport Beach and respective supervisors has been notified and are aware of the finding. As a result, the supervisor in charge of the Senior Mobility program in the Recreation department has changed the submittal date to no later than the 10th of each month.

If you need additional information or have any questions, please do not hesitate to contact me.

Thank you,

Dan Matusiewicz
Finance Director/Treasurer
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660