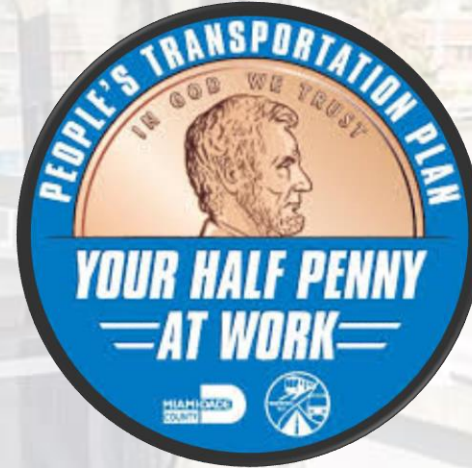


2024 Annual CITT Municipal Workshop



Two Cents on your



Internal Compliance Review

OFELIA TAMAYO, DIRECTOR
INTERNAL COMPLIANCE DEPARTMENT

Our 2 Cents On Speeding Through the Compliance Review



- **Speed Tip #1:** Get to Know Us
- **Speed Tip #2:** Have These Documents Ready
- **Speed Tip #3:** Compare and Confirm
- **Speed Bumps**

Speed Tip #1: Get to Know Us



As the County's Internal Compliance Department (ICD), we:

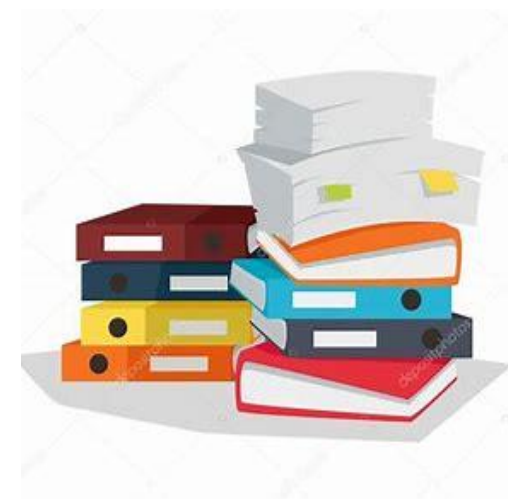
- Perform compliance reviews of the use of Surtax Proceeds to evaluate and encourage compliance with applicable rules & regulations, identify opportunities to improve performance, and foster accountability
- Coordinate with OCITT to select areas to review considering risk and amount of proceeds distributed
- Conduct compliance reviews based on agreed upon annual schedule
- Issue a report with issues found, observations, and recommendations



Speed Tip #2: Have These Documents Ready



- ❑ ACFRs and Adopted Budgets for All Years Under Review
- ❑ Annual Compliance Package and Quarterly Reports
- ❑ *Interlocal Agreement* with the County for On-Demand Services
- ❑ List of claimed expenditures separated by Transit and Transportation
- ❑ Detailed General Ledgers should support claimed amounts recorded in the Surtax or Other Funds (e.g., MOE General Fund Streetlighting, or Public Works Street-Related Expenditures)
- ❑ Supporting Documentation for Claimed Expenditures (e.g., invoices, payment details, and other support)
- ❑ Monthly Circulator and/or On-Demand Ridership Statistics
- ❑ Contracts with Circulator Providers and Other Major Vendors
- ❑ Interest Earned on Equity in Pooled Cash – Allocation Methodology
- ❑ Surtax-Related Debt Service – Allocations Among Multiple Funding Sources, if applicable
- ❑ Additional revenues from advertisements, grants and other funding, if applicable



Speed Tip #3: Compare and Confirm



Quarterly Reports

- Should Tie to Claimed Expenditures

Five-Year Transportation Plans

- Starting Balance Should Include Any Unspent Balances from the Prior Audit
- Should also account for proceeds withheld from distribution when applicable

Equity in Pooled Cash

- Should Be No Less Than the Balance of Unspent Surtax

Half Penny Surtax Proceeds & Expenditures

- Should Be in a Separate Funds or Sub-fund (not commingled)

Speed Bumps



Use of Transit & Transportation-Related Surtax Proceeds

- Not spending at least 20% of the Surtax Proceeds annually on Transit-related costs
- Not crediting interest earnings on unspent funds as income to the Surtax Fund
- Not ensuring that only eligible expenditures are submitted with adequate supporting documentation
- Not timely executing the *Interlocal Agreement* allowing the use of Surtax Proceeds for On-Demand Services as required by Ordinance No. 19-06

Certification and Reporting Requirements

- Not submitting Annual Compliance Package and Quarterly Reports in a timely manner
- Not reconciling Quarterly Reports submitted to OCITT to the Surtax Fund general ledger
- Not always including on the Five-Year Transit/Transportation Plan how the unspent proceeds will be spent in future periods as required by CITT Resolution No. 09-055

Questions?



thank
you

