



***INTERNAL MEMORANDUM***

**TO:** Vida Morkunas  
Manager, Grants and Capital Program Division

**DATE:** March 13, 2008

**FROM:** Catherine Clark  
Senior Auditor, Audit & Review Division

**SUBJECT: Close-out Audit of the CTA Technical Services Agreement**

We have completed a review of the Grants and Capital Program Division's administration of the Chicago Transit Authority (CTA) Technical Services Agreement (TSA) as described below. Our audit was planned and performed to obtain reasonable assurance that prior to the Grants and Capital Program Division initiating the close-out process for the project, compliance with relevant policies and procedures was followed.

**Project Audited**

The CTA Western Avenue Intersection Design Project for Transit and Pedestrian Improvements included a study to create prototype bus stop improvement designs for five intersections to support the operations of the X49 Western Express bus route. These prototypical designs will include optimal intersection geometrics to improve auto, truck and bus traffic; and street and sidewalk designs to improve pedestrian movement and safety. Improvements in customer amenities, comfort, and information will also be investigated. The results of this project will be used for a system-wide toolbox for additional bus routes. The TSA between the RTA and the CTA provided that the RTA would fund 100% of the actual cash share of the project budget, or \$200,000, whichever is less. The Scope of Services is being performed by TranSystems Corporation (contractor) through an agreement with the CTA, at a cost not to exceed \$198,488.19.

**Audit Objectives**

Our main objective was to verify that the RTA complied with the terms of the TSA.

**Audit Scope**

The scope of this audit included a review of the following:

- Documents relating to the requirements of the Division's administrative procedures.

- Supporting documentation applicable to the Technical Services Agreement between the CTA and the RTA.
- The invoices submitted by the CTA, which had been reviewed and approved for payment by the Project Manager.
- Payments which the RTA made to the CTA.

No exceptions were found.

### **Audit Task Performed**

The specific tasks we performed during the audit were as follows:

1. Verified an invoice was received from the CTA for the period the project was active, which included backup documentation.
2. Verified that the project stayed within the approved project budget.
3. Reviewed payments which RTA made to the CTA for the project, which included backup documentation, to ensure that:
  - Requests for payments were made for work that occurred on or after the effective date of the Technical Services Agreement.
  - Only reimbursable costs allowed under the terms of the agreement's Scope of Services were billed.
  - The contractor's invoices were supported by properly approved supporting documentation (i.e. time records, record of travel expenses, overhead, etc.), and that their calculations were accurate.
  - The RTA made payments to the CTA after proper internal approvals were obtained.

### **Audit Conclusions**

Although the files related to this project were limited to those on hand with the Grants and Capital Program Division, we were able to determine that the RTA complied with the terms of the TSA. It is our recommendation the Grants and Capital Program Division initiate the close-out process for this project.

copy→ Jay Ciavarella, Division Manager, Special Programs  
Joe Costello, SDED, Finance & Administration  
Leanne Redden, SDED, Strategic Planning & Regional Programs

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