



INTERNAL MEMORANDUM

TO: Vida Morkunas
Manager, Grants and Capital Program Division

DATE: March 14, 2008

FROM: Catherine Clark
Senior Auditor, Audit & Review Division

SUBJECT: Close-out Audit of TMA of Lake-Cook MOA

We have completed a review of the Grants and Capital Program Division's administration of the Transportation Management Association (TMA) of Lake-Cook Memorandum of Agreement (MOA) 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 Route 60 and Route 22 Corridor Shuttle Study examined opportunities to improve mobility in the Route 60 and 22 corridors in Lake County by implementing shuttle bus connections to commuter rail service. The corridors include three Metra rail lines: the North Central Line, the Milwaukee District North Line, and the Union Pacific North Line. The study focused on patterning service after the successful "Shuttle Bug" routes serving Lake-Cook Road and Braeside. The partners included the RTA, the Transportation Management Association of Lake-Cook, Metra, Pace, and major employers from the corridors.

The total project budget amounted to \$50,000. The MOA between the RTA and the TMA of Lake-Cook provided that the RTA would fund 90% of the actual cash share of the project budget, or \$45,000, whichever is less. In-kind services in the amount of \$5,000 were to be provided by the TMA of Lake-Cook (See attached Schedule of Project Costs). The Scope of Services is being performed by Fish, Doron & Associates (the contractor) through a Professional and Consulting Services Agreement with the TMA of Lake-Cook entered on December 2, 1999 in the amount of \$44,727.42.

Audit Objectives

Our main objective was to verify that the RTA complied with the terms of the agreement with the TMA of Lake-Cook.

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 Memorandum of Agreement between the TMA of Lake-Cook and the RTA.
- The invoices submitted by the contractor, which had been reviewed and approved for payment by the Project Manager.
- Payments which the RTA made to TMA of Lake-Cook.

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 TMA of Lake-Cook for the period the project was active, which included backup documentation from the contractor.
2. Verified that the project stayed within the approved project budget.
3. Reviewed payments which RTA made to the TMA of Lake-Cook for the project, which included backup documentation from the contractor, to ensure that:
 - Requests for payments were made for work that occurred on or after the effective date of the Memorandum of 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. contractor's time records, record of travel expenses, overhead, etc.), and that their calculations were accurate.
 - The RTA made payments to the TMA of Lake-Cook after proper internal approvals were obtained.

We have attached a Schedule of Project Costs for the project which shows various numeric data such as the project budget amount, payments made, etc.

Audit Conclusions

Based on our audit of the TMA of Lake-Cook MOA, we have concluded that the RTA complied with the terms of the agreement with the TMA of Lake-Cook. It is our recommendation the Grants and Capital Program Division initiate the close-out process for this project.

Attachment

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

**SCHEDULE OF PROJECT COSTS
TMA OF LAKE-COOK MOA**

	MOA BETWEEN THE RTA & TMA OF LAKE-COOK			MOA BETWEEN THE RTA & TMA OF LAKE-COOK	
PROJECT TITLE/ PROJECT DESCRIPTION	PROJECT BUDGET	RTA SHARE	IN-KIND SERVICES LOCAL SHARE	CONTRACT AMOUNT	TOTAL PAYMENT TO TMA OF LAKE-COOK*
Regional Technical Assistance Program (RTAP) Project	\$50,000.00	\$45,000.00	\$5,000.00	\$45,000.00	\$40,802.42
Project Title: Route 60 and Route 22 Corridor Shuttle Study					
TOTAL	\$50,000.00	\$45,000.00	\$5,000.00	\$45,000.00	\$40,802.42
*Comments:					
Based on the terms of the MOA, the RTA would provide 90% of the actual Net Project Cost of the Project, or \$45,000, whichever is less. The terms of the MOA also stated that 10% of the Net Project Cost will be retained subject to an adjustment on the basis of an audit upon satisfactory completion of the work. The total invoices submitted to the RTA by the TMA of Lake-Cook totaled \$40,802.42. The amount that was paid to the TMA of Lake-Cook initially was \$36,722.18 to take into consideration the 10% retaining fee. After the project was completed, the RTA Project Manager (Jay Ciavarella) determined that no adjustments needed to be made and Lake-Cook was paid the amount that had been retained, which totaled \$4,080.24. Therefore, the RTA paid the TMA of Lake-Cook the total amount of the invoices submitted, or \$40,802.42.					
Also, we discovered that the TMA of Lake-Cook was paid under two different vendor names and vendor numbers. Checks totaling \$35,210.43 were paid to the Transportation Mgmt Assoc. L-C under vendor number 169003. A check totaling \$5,591.99 was paid to TMA Lake Cook under vendor number 080402. Although two different vendor names and vendor numbers were utilized, the TMA of Lake-Cook was paid in accordance with the terms of the MOA.					