



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 Village of South Holland TSA

We have completed a review of the Grants and Capital Program Division's administration of the Village of South Holland 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 South Suburban Commuter Rail Corridor Land Use and Local Financing Study will develop a local profile for the South Suburban Commuter Rail Corridor including land use conditions, transit supportive land use policies, and local financial mechanisms that will support determination of a locally preferred alternative for the corridor. The land use component will include a study of existing and future land use conditions within the corridor that will impact implementation of transit service and development of transit supportive land use policies for adoption by local communities. The financial component will identify and assess revenue capacity and acceptance of local financial mechanisms that could be used to implement a locally preferred alternative. Finally, the study will define and quantify planning standards for the corridor for mobility, connectivity, efficiency, safety and local preferences to support selection of a locally preferred alternative. Study participants will include local communities in the South Suburban Commuter Rail Corridor, such as the Village of South Holland. The project budget totaled \$287,582. An Intergovernmental Agreement between IDOT and the Village of South Holland provided for 90% of the funding for the project. The TSA between the RTA and the Village of South Holland provided that the RTA would fund 10% of the actual cash share of the project budget, or \$28,758.20, whichever is less. The Scope of Services is being performed by Wilbur Smith Associates (contractor) through an agreement with the Village of South Holland.

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 Village of South Holland and the RTA.
- The invoices submitted by the Village of South Holland, which had been reviewed and approved for payment by the Project Manager.
- Payments which the RTA made to the Village of South Holland.

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 Village of South Holland 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 Village of South Holland 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 Village of South Holland 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
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