



AUDIT REPORT



DATE May 12, 2021

NO. 2021-003

**CHARLOTTE COUNTY TRANSPORTATION DISADVANTAGED
GRANT PROGRAM**

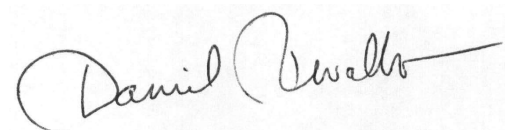
INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

Honorable Roger D. Eaton
Charlotte County Clerk of the Circuit Court and Comptroller
350 East Marion Avenue
Punta Gorda, Florida 33950

We have completed an audit of the transportation disadvantaged grant program. The purpose of this audit was to assess the system of internal control, and verify compliance with applicable laws and agreements.

The report details the current control environment and includes our comments and recommendations. Management responses have been included and immediately follow the audit report.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel Revallo". The signature is written in a cursive style with a long horizontal line extending to the right.

Daniel Revallo
Internal Audit Director

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EXECUTIVE SUMMARY

The Internal Audit Division performed a compliance audit of the County's Transportation Disadvantaged Grant Program. The audit considered grant agreements to include the State's fiscal years 7/1/2018 through 6/30/2019 and 7/1/2019 through 6/30/2020 for the audit period covering the County's fiscal year 10/1/2018 through 9/30/2019.

The purpose of the audit was to assess the system of internal control over Transportation Disadvantaged grant compliance, compliance with governing law, and compliance with the grant agreement. A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

Based upon the results of our review, we offer a summary of recommendations. These recommendations are discussed in detail later in this report:

1. **We recommend** the Transit Division develop and implement quality assurance controls to ensure reimbursement requests are a) submitted in a timely manner and b) contain the required information upon submission.
2. **We recommend** the Transit Division develop and implement quality assurance activities to ensure recipients of services meet the eligibility criteria before receiving services.
3. **We recommend** that applications and supporting documentation be retained as required by the grant agreement and the County's standard operating procedures.

BACKGROUND

Florida's Transportation Disadvantaged Program was created in 1979 and reenacted in 1989. The 1989 act created the Florida Commission for the Transportation Disadvantaged (CTD). The responsibility for implementing this law was assigned to the Florida CTD by Florida Statute (FS) Chapter 427. Through funding and regulation, the CTD increased local participation in the planning and delivery of coordinated transportation services by creating local Transportation Disadvantaged Coordinating Boards (TDCB) and Community Transportation Coordinators (CTC). According to the FS Chapter 427, Transportation Disadvantaged means those persons who, because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation and are, therefore, dependent upon others to obtain access to health care, employment, education, shopping, social activities, or other life-sustaining activities, or children who are handicapped or high-risk or at-risk as defined in FS 411.202.

Florida's coordinated transportation program is designed to have one entity in each county that functions to ensure all Transportation Disadvantaged funded services are provided efficiently and effectively. A fundamental aspect of a coordinated transportation system is eliminating or reducing duplication and fragmentation of transportation services. The Florida CTD is an independent commission housed administratively within the Florida Department of Transportation in Tallahassee, Florida. Its mission is to ensure the availability of efficient, cost-effective and quality transportation services for transportation disadvantaged persons. Metropolitan Planning Organizations (MPOs) perform long-range planning, and

assist Florida's CTD and local TDCBs in implementing the transportation disadvantaged program in designated service areas. The CTC may be a business or county department that is responsible for the delivery of transportation services to the transportation disadvantaged. The CTC may provide those trips itself, as a sole source, or the CTC may provide some trips, and subcontract some (partial brokerage); or, the CTC may subcontract out all the trips to approved operators, as a complete brokerage. The Florida CTD approves the CTC for each county based on the recommendation of the local MPO.

Since the mid-80s Charlotte County has been acting as the CTC. On April 8, 2016, the CTD approved the Charlotte County Board of County Commissioners to perform the duties of the Community Transportation Coordinator (CTC) for Charlotte County for the next 5 years, commencing July 1, 2016. The Charlotte County Board of County Commissioners has provided the local matching funds required for this operation and acts as the Board of Directors in capital acquisitions and operating matters. As of February 2014, the Transit Division and County staff members supporting transit services are now housed under the County's Budget & Administrative Services.

Trips for the Transportation Disadvantaged Program are funded from several sources. Current purchasing agencies funding trips for the County include: Charlotte County Senior Services (Older Americans Act and Community Care for the Elderly), the Florida Commission for the Transportation Disadvantaged through the Transportation Disadvantaged Trust Fund, the Charlotte County Board of County Commissioners, the Florida Department of Transportation, and the Federal Transit Administration.

The Florida Commission for the Transportation Disadvantaged has been granted the authority to use Transportation Disadvantaged Trust Fund monies to subsidize a portion of a transportation disadvantage person's transportation costs. Funds are provided in the form of a grant: "Florida Commission for the Transportation Disadvantage Trip and Equipment Grant".

The grant provides non-sponsored transportation trips and/or capital equipment to the non-sponsored transportation disadvantaged in accordance with the Transportation Disadvantaged Trust Fund in Chapter 427, Florida Statutes, Rule 41-2, Florida Administrative Code, Commission policies, Program Manual for the Trip & Equipment Grant for non-sponsored trips and/or capital equipment, and the individual grant agreements with the CTCs. Funds available through the grant may be used only for non-sponsored transportation services, and shall be applied only after all other potential funding sources have been used and eliminated. Grant funds shall not be used to supplant or replace funding of transportation disadvantaged services, which are currently funded to a recipient by any federal, state, or local governmental agency.

AUDIT OBJECTIVES

1. Assess the system of internal control over Transportation Disadvantaged Grant compliance.
2. Verify compliance with governing law.
3. Verify compliance with grant agreement.

SCOPE AND METHODOLOGY

The scope of the audit included an evaluation of applicable state law, policies and procedures, systems, and controls, and the financial and operational information related to the “Florida Commission for the Transportation Disadvantage Trip and Equipment Grant”. The engagement also considered financial record keeping, including the recognition of costs, and how grant income and expenditures are recorded in the general ledger for the preparation of claims.

We reviewed County compliance with Chapter 427, Florida Statutes, Rule 41-2, Florida Administrative Code, Commission policies, Program Manual for the Trip & Equipment Grant for non-sponsored trips and/or capital equipment, and the grant agreements covering the State’s fiscal years 7/1/2018 through 6/30/2019 and 7/1/2019 through 6/30/2020 for the audit period covering the County’s fiscal year 10/1/2018 through 9/30/2019.

We reviewed financial documentation provided by the Transit and Fiscal Services Divisions, and accounting information posted to the financial software, Eden.

We also interviewed key personnel involved with the grant in the County’s Transit and Fiscal Services Divisions, as well as the Comptroller’s Finance Division.

We used original records and copies as audit evidence and performed verification procedures through physical examination and observation.

COMMENTS AND RECOMMENDATIONS

1. Reimbursement requests did not contain the required information and some were untimely.

The *Invoicing Procedures for the Provision of Transportation and Capital Equipment* issued by the Commission for the Transportation Disadvantaged (CTD) and dated July 1, 2017 state in *Section 1.04*, "Grantees are encouraged to submit invoices within 30-days after the month of service provision. The invoice workbook shall be electronically submitted ... The email subject line should read as follows: County Name Grant # invoice #."

Internal audit reviewed each monthly reimbursement request electronically submitted by the Transit Division to the Florida Commission for the Transportation Disadvantaged during the audit period. Dates considered were the initial dates submitted to the CTD. Our review determined the following:

- a. 42% or five (5) requests had no support that they were submitted within the 30-day threshold. Our request for additional information did not prove that the original invoices were submitted on time.
- b. 100% or twelve (12) requests submitted did not include the required information within the subject line.

We recommend the Transit Division develop and implement quality assurance controls to ensure reimbursement requests are a) submitted in a timely manner and b) contain the required information.

2. Eligibility is not confirmed prior to services, and eligibility dates in RouteMatch are incorrect.

Eligibility details are not reviewed when a client calls to schedule a trip. In addition, eligibility dates within RouteMatch are incorrect and do not properly alert the dispatcher.

Internal Audit identified three (3) individuals that received services after their certification had expired. These individuals completed a total of 121 rides for a total cost of \$2,018.28. These trips were invoiced to and reimbursed by the Florida CTD.

We recommend the Transit Division develop and implement quality assurance activities to ensure recipients of services meet the eligibility criteria before receiving services.

3. Eligibility applications could not be located for some individuals.

Prior to receiving a ride provided by and paid for by the Transportation Disadvantaged Grant, an individual must complete an eligibility application. Applications must be recertified every three (3) years to ensure continued eligibility. The grant agreement stipulates that applications and supporting documentation must be retained during the period of the grant agreement and for five (5) years after final payment.

Internal Audit requested the Transit Division to provide eligibility applications for forty (40) individuals. Our review determined the following:

- a. 5% or two (2) could not be located.
- b. Additional procedures performed identified two (2) additional individuals, for a total of four (4) eligibility applications that could not be located.

We recommend that applications and supporting documentation be retained as required by the grant agreement and the County's standard operating procedures.

CONCLUSION

A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

ACKNOWLEDGEMENT

We would like to thank the County's Transit and Fiscal Services Divisions, as well as the Comptroller's Finance Division for their assistance in the completion of this audit.

Audit performed by:
Misti Payette
Internal Auditor II
Charlotte County Clerk of Court and Comptroller



Memorandum

To: Dan Revallo -Director Internal Audit-Charlotte County Clerk of the Circuit Court and County Comptroller

From: Christy Davis - Senior Administrative Assistant II-Transit Division - (941) 833-6242 - christy.davis@charlottecountyfl.gov
& Richard Kolar -Transit Operations Manager -(941) 833-6246-richard.kolar@charlottecountyfl.gov

CC: Gordon Burger -Budget & Administrative Services Director
Misti Payette - Internal Auditor II - Charlotte County Clerk of the Circuit Court and County Comptroller

Date: 5/5/2021

Re: Transportation Disadvantage Corrective Action Plan

Dear Dan,

Thank you for your time and effort to ensure Charlotte County Transportation Disadvantaged Program follows Florida State Statutes and Florida Administrative Code and applicable federal and state grant and contract requirements.

Charlotte County Transit (CCT) appreciates the collaborative effort of these monitoring tests and has found your insights valuable.

The following is our Corrective Action Plan based on your comments and recommendations.



1. Reimbursement requests did not contain the required information, and some were untimely.

The Transit Division has developed and is implementing quality assurance controls to ensure reimbursement requests comply and a) are submitted in a timely manner and b) contain the required information.

- a) We will submit within the 30 days in a timely method. We will date the original reimbursement request and save. If there are corrections to be made, we will date and add the revision # to the bottom of the page and save. The email subject line will read as follows: County Name Grant # Invoice # (e.g.: Charlotte County Transit ABE124 #03)

2. Eligibility is not a) confirmed prior to services, and b) eligibility dates in RouteMatch are incorrect.

- a) The Transit Division has developed and is implementing quality assurance activities to ensure recipients of services meet the eligibility criteria before receiving services. All clients have been identified and fixed. Our software program has now enabled us to run a monthly transportation disadvantaged expiration/renewal report to track and fix if needed.
- b) CCT Admin will ensure comprehensive written operation policies and procedures are implemented and are in alignment with current, best practice procedures to ensure that no rider be billed nor identified as Transportation Disadvantaged until all qualifying criteria has been met.

3. Eligibility applications could not be located for some individuals.

Unfortunately, we were unable to locate these because for the time period of the audit, a prior employee was responsible and did not follow proper guidelines. Charlotte County Transit will continue to implement and follow the five-year document record retention policy.

A handwritten signature in blue ink, appearing to read "R. Kolar", is written over a horizontal line.

May 6th, 2021
Richard Kolar
Transit Operations Manager

