

AGENDA ITEM 2 A
Action Item

MEMORANDUM

DATE: September 5, 2019

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Appointment of Chair and Vice-Chair as members of an ad hoc Audit Review Committee

REQUESTED ACTION:
BY MOTION,

1. Form an ad hoc Audit Review Committee to receive and review fiscal year (FY) 2018/19 independent fiscal and compliance audit reports
2. Appoint Chair and Vice-Chair as members to the Audit Review Committee

BACKGROUND

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve public transportation services and encourage regional transportation coordination. Known as the Transportation Development Act (TDA) of 1971, this law provides funding to be allocated for transit and non-transit related purposes.

The TDA provides two (2) funding sources:

1. Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.
2. State Transit Assistance (STA), which is derived from the statewide sales tax on diesel fuel.

The California Department of Tax and Fee Administration, based on sales tax collected in each county, returns the general sales tax revenues in each county's LTF. The STA funds are appropriated by the Legislature to the State Controller's Office (SCO). The SCO then allocates the tax revenues, by formula, to planning and other selected agencies.

To ensure program compliance, fiscal audits are conducted annually. TDA Section 6664 requires independent fiscal and TDA compliance audits to be completed within 180 days following the end of each fiscal year. The El Dorado County Transportation Commission (EDCTC) is responsible for ensuring that each TDA claimant under its jurisdiction receiving an allocation submits to EDCTC and the State Controller an annual certified fiscal audit report.

DISCUSSION

Richardson and Company auditors will perform the fiscal year 2018/19 on-site audit field work at the El Dorado County Transit Authority during the week of September 30, 2019. Final audit reports will be completed in late October 2019 or early November 2019.

The Audit Review Committee would convene to receive an oral and written presentation of audit reports by Richardson & Company. The audit reports would then be included in the December 5, 2019 Board agenda packet as a Consent Item for consideration by the full Board.

Annually, the El Dorado County Transit Authority appoints a two (2) person sub-committee of the Board to receive the auditors' presentation of the audit prior to submission to the full Board. Staff is recommending the establishment of an ad hoc Audit Review Committee with the Chair and Vice-Chair as permanent members.

Audit Review Committee responsibilities include:

1. Review of fiscal and compliance audits
2. One (1) meeting to receive a presentation of agency fiscal and compliance reports from the independent auditors

FISCAL IMPACT

None