

MIAMI-DADE TRANSIT

CORRECTIVE ACTION PLAN

MDT Corrective Action Plan

| | FTA Letter Issued 4/8/2011 | Status of achievement | Required actions to attain full compliance | Target date of completion | Attachment |
|---|--|--|--|--|--|
| 1 | Ensure all quarterly reporting is on accrual basis of accounting in accordance with FTA Circular 50101D, Chapter 3 (b). | MDT staff is reviewing invoices and following up with Project Managers on a quarterly basis to ensure all accruals, including Preventive Maintenance costs, are accurately reflected on the Federal Financial Reports (FFR). | Standard Operating Procedures (SOP) have been updated to assure timely and accurate recording of accruals on the FFR. | Completed 4/30/2011 | Attachment A – SOP and Second Quarter Accruals |
| 2 | Ensure that only valid vouchers and active grant index codes are properly authorized and approved for payment. Furthermore, the Grant index number should not be changed by any specific division without approval of divisions involved with initially approving the Purchase Order (PO), which establishes the index code as chargeable to a specific federal grant Activity Line Item (ALI). These recommendations are in accordance with FTA Circular 5010.1D, Chapter VI, Section 2(e)3(b)3; Section 2(d)5. | <ol style="list-style-type: none"> Procedures have been established to prevent changes to index codes once the MDT Invoice Payment Checklist has been approved. The County Finance Department will not process grant-related invoices for payment that are not accompanied by an approved MDT Invoice Payment Process Checklist. This Checklist requires that reviewers verify that the proper index codes have been used and approved for Federal Grants. To further enhance controls, the Procurement System (ADPICS) will generate a weekly exception report to identify differences between PO index codes and voucher index codes that will be reviewed by MDT General Accounting staff. All exceptions will be followed up and their disposition documented. | <ol style="list-style-type: none"> An SOP has been established to prevent index code changes once the MDT Invoice Payment Process Checklist has been approved. Staff will be trained and held accountable for continued compliance. Also a Financial Approval Checklist has been developed that includes criteria to ensure that all FTA mandated clauses are included in the contracts. Completed | <p>5/31/2011</p> <p>Completed 5/1/2011</p> | <p>Attachment B – SOP and Financial Approval Checklist</p> <p>Attachment C – SOP and MDT Invoice Payment Form</p> <p>Attachment D – SOP and sample Weekly Exception Report</p> |

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| 3 | <p>Ensure that there is no federal participation in any County procurement that includes the User Access Program (UAP) and/or Inspector General Fee (IG) Fee. This recommendation is in accordance with 49 CFR 18.36(b) (1), 18.20(b) (5), 18.22 and FTA Circular 5010.1D, Chapter VI, Section 2(e) (3) (b) 3.</p> | <ol style="list-style-type: none"> 1. The MDT Invoice Payment Process Checklist must accompany each grant-related invoice and reviewers must certify that no UAP/IG fees have been deducted. Further, The County Finance Department will not process grant-related invoices unless the aforementioned Checklist is attached. 2. Weekly, the County generates a Procurement System (ADPICS) Report that details any UAP/IG transactions charged to Federal Grants. MDT General Accounting staff will research such transactions, and reverse charges, if any. 3. Further, the County has requested a procurement system modification to automatically reverse UAP and IG fees charged to Federal grants to eliminate the need for manual adjustments, if any. | <ol style="list-style-type: none"> 1. The SOP and MDT Invoice Payment Process Checklist have been drafted and will be finalized once staff has been fully trained and demonstrated adequate understanding. 2. MDT General Accounting Staff is reviewing the UAP/IG system report on a weekly basis. 3. Implement system modification to automatically reverse any UAP/IG charges to Federal Grants, if any. | <ol style="list-style-type: none"> 1. 5/31/2011 2. Completed 4/30/2011 3. 6/30/2011 | <p>Attachment C – SOP and MDT Invoice Payment Process Checklist Form</p> <p>Attachment E – Sample Weekly UAP/IG Exception Report</p> <p>Attachment F – System Modification Work Order</p> |
| 4 | <p>Fare collection reports generated from bus probing data should be reconciled to cash counted on a daily basis, and the related variance reports should be reviewed by someone independent of the counting process. This recommendation is in accordance with FTA Circular 5010.1D, Chapter VI, Section 2(e) 3(b) 3.</p> | <p>MDT Financial Services Division has been reconciling the bus probing reports to cash counted daily; however, variances were not analyzed. Effective February 2011, MDT's Performance Management Division began analyzing variances of 1% or greater.</p> | <p>The MDT Performance Management Division is analyzing variances and at least monthly the results of those analyses are compiled in a Management Report. MDT continues to review and enhance the process, through training, which is anticipated to be completed by the end of May 2011.</p> | <p>05/31/2011</p> | <p>Attachment G – SOP</p> |

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| 5 | Kiosk collection reports should be reconciled to the cash counted on a daily basis with variance reports reviewed by someone independent of the counting process. In addition, there should be a reconciliation of the cash and credit card receipts counted to the related bank deposit on a periodic basis. This recommendation is in accordance with FTA Circular 5010.1D, Chapter VI, Section 2(e) 3(b) 3. | <p>Kiosk revenues tracked through NEXTFARE are reconciled to cash collections and system generated revenue reports (e.g. Point of Sale Register Tapes) on a daily basis. Reconciliations are independently reviewed by the MDT's General Accounting Unit and variances, if any, are followed up and resolved by the Office of Performance Management. Sales reports from the NEXTFARE system are agreed to cash and credit card receipts by MDT's General Accounting Unit. The MDTs General Accounting Unit is separate from the Treasury Services Unit that verifies actual cash counts.</p> <p>Additionally, independently of MDT, the County Finance Department matches cash deposits per Report of Collection entries to electronic banking reports on a daily basis. Discrepancies, if any, are identified and reported to MDT for follow up and resolution.</p> | <ol style="list-style-type: none"> 1. Reconciliation reports are completed daily. 2. The Results of the Reconciliation Process are compiled monthly and variances analyzed by the Office of Performance Management. 3. To further enhance cash collection controls and the reconciliation process, efforts are underway to migrate Corporate Passes, Parking and other Pass Sales to the NEXTFARE System to further enhance controls over revenue and cash collections. | <p>Completed</p> <p>Completed 2/2011</p> <p>June 30, 2011</p> | Attachment H - SOP |
| 6 | Maintenance division cost should be analyzed in detail to document exactly which costs are to be used in support of ECHO draws. For labor costs, the analysis should start with applicable lines in an existing General Ledger detail report (A74) that are allowable. As for any charges not payroll related, MDT should specify in the ECHO draw support exactly which costs charged to the bus and rail maintenance divisions are eligible for reimbursement under the grant. This recommendation is in accordance with FTA Circular 5010.1D, Chapter VI, Section 2(e) 3(b) 6. | Preventive Maintenance ECHO draws packages will include detailed line item support for eligible reimbursement amounts under each grant, traceable to the general ledger and payroll reports. Also, any eligible non-payroll related charges will be detailed by cost category supporting the ECHO draw. | ECHO draw packages are currently being assembled and will be reviewed and authorized prior to any draws. Packages supporting these draws will include itemized employee payroll costs by cost categories (sub-object codes) that have been agreed to Labor Distribution Reports and the General Ledger, as per the Force Account Plan. | Submission pending lifting of suspension. | <p>Attachment_IA - Sample ECHO Draw Support Package for Payroll related expenditures for FY10 Formula Grant FL-90-X730 (MTX730)</p> <p>Attachment IB - FY10 Fixed Guideway FL-05-0108 (MTX0108)</p> |

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| 7 | Utilize a process that ensures compliance with FTA requirements for each federally funded contract. Furthermore, it should address the FTA mandated clauses in individual contracts, even if there is a master services agreement in place. This recommendation is in accordance with FTA Circular 4220.1F, Appendix D, 5010.1D, Chapter VI, Section 2(e) 3(b) and Chapter II, Section 3(a) 7. | <ol style="list-style-type: none"> MDT has developed a "Financial Approval Checklist" that includes criteria to ensure that all FTA mandated clauses are included in federally funded contracts. Purchase orders associated with grants will require an additional level of approval by MDT Managerial staff. The Office of Capital Improvement (OCI), in addition to the MDT Contract Management Section, will review solicitation documents to ensure FTA clauses are included before advertisement. Subsequent to this review, MDT and OCI certify that the federal requirements have been met for the subject contract by signing the Federal Requirement Review Form. Further, MDT now performs a post compliance test to ensure that contractors have included all FTA required certification with their proposals. Contractors not providing the required certifications at the time of submittal may be deemed non-responsive. Prospectively, Management will implement Procurement System (ADPICS) edits that will prevent accessing contracts that do not meet Federal Procurement requirements. | <ol style="list-style-type: none"> The Financial Approval Checklist will be finalized and staff appropriately trained to assure continued compliance and accountability. SOP's and training material will be developed and staff trained to assure continued compliance and accountability. MDT and OCI have developed a certification process that will consist of reviewing the Federal Procurement checklist of all required provisions to be included in all solicitations and contracts before advertisement of any MDT solicitation. Management will analyze implementation requirements and submit to software vendor. | <ol style="list-style-type: none"> 5/31/ 2011 5/31/ 2011 Completed First quarter FY 2012 | <p>Attachment B – SOP and Financial Approval Checklist Form</p> <p>Attachment J – Approval Path Training Meeting Material</p> <p>Attachment L – Transit Administrative Policies and Procedures (TAPP) for Procurements of Construction, Engineering, Planning and Design and Materials Management. Federal Requirements Review Form. Compliance Review Form.</p> |
| 8 | Ensure there is a system in place to verify that MDT or the County is maintaining procurement files in accordance with FTA Circular 50101D, Chapter III, Section 7(c) and 42201F Chapter III, Section 3(d). | DPM will retain all FTA funded contracts for five years after the contract expiration date, at which point the records will be transferred to MDT. MDT will maintain the records as required by the FTA Circular and Master Agreement. | Upon transfer of record custodianship from DPM, MDT will maintain all records as required by FTA Circular and Master Agreement. | Completed | Attachment K – Transfer of FTA Funded Contract Records SOP |