
Capital Area Transportation Authority

**Federal Awards Supplemental Information
September 30, 2019**

Independent Auditor's Reports

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Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Capital Area Transportation Authority

We have audited the financial statements of the enterprise fund and fiduciary funds of the Capital Area Transportation Authority (the "Authority") as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated March 5, 2020, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to March 5, 2020.

The accompanying schedule of expenditures of federal and state awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

April 9, 2020

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Directors
Capital Area Transportation Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the enterprise fund and fiduciary funds of the Capital Area Transportation Authority (the "Authority") as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to the Finding

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

To Management and the Board of Directors
Capital Area Transportation Authority

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moreau, PLLC

March 5, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Capital Area Transportation Authority

Report on Compliance for Each Major Federal Program

We have audited the Capital Area Transportation Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2019. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

To the Board of Directors
Capital Area Transportation Authority

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2019-002, that we consider to be a material weakness.

The Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

This report is replacing a previously issued report dated March 5, 2020 to correct the reporting of expenditures previously reported under the incorrect federal program and to report a material weakness in internal control over compliance, which is reported as Finding 2019-002. Certain expenditures were previously incorrectly reported as Transit Services Program Cluster expenditures and are now accurately being reported as Federal Transit Cluster expenditures within this report.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

April 9, 2020

Capital Area Transportation Authority

Schedule of Expenditures of Federal and State Awards

Year Ended September 30, 2019

| Federal Agency/Pass-through Agency/Program Title | CFDA Number | Federal Project Number | State Project Number | Federal Expenditures | State Expenditures | Total Expenditures | Amount Provided to Subrecipients |
|-----------------------------------------------------------------------|-------------|------------------------|----------------------|----------------------|---------------------|----------------------|----------------------------------|
| U.S. Department of Transportation - Direct programs: | | | | | | | |
| Federal Transit Cluster: | | | | | | | |
| Federal Transit - Capital Investment Grants | 20.500 | MI-2016-0002 | 2012-0055-P027 | \$ 51,753 | \$ 12,938 | \$ 64,691 | \$ - |
| Federal Transit - Capital Investment Grants | 20.500 | MI-04-0085 | No State match | 27,680 | - | 27,680 | - |
| Federal Transit - Formula Grants | 20.507 | MI-2017-014-04 | 2012-0055-P03D | 2,198,197 | 549,549 | 2,747,746 | - |
| Federal Transit - Formula Grants | 20.507 | MI-0090-X782 | 2012-0055-P28C | 3,143,261 | 785,815 | 3,929,076 | - |
| Federal Transit - Formula Grants | 20.507 | MI-0095-X127 | 2012-0055-P28A | 117,544 | 21,025 | 138,569 | - |
| Federal Transit - Formula Grants | 20.507 | MI-0090-X647 | 2012-0055-P005 | 17,797 | 4,449 | 22,246 | - |
| Federal Transit - Formula Grants | 20.507 | MI-0090-X672 | 2012-0055-P015 | 799,021 | 199,755 | 998,776 | - |
| Federal Transit - Formula Grants | 20.507 | MI-0090-X805 | 2017-0027-P06D | 3,606,207 | 901,552 | 4,507,759 | - |
| Federal Transit - Formula Grants | 20.507 | MI-0090-X819 | 2019-0027-P11D | 800,000 | 200,000 | 1,000,000 | - |
| Federal Transit - Formula Grants | 20.507 | MI-90-X376 | 2002-0024-Z004 | 40,296 | 10,074 | 50,370 | - |
| Bus and Bus Facilities Formula Program | 20.526 | MI-34-0001 | 2012-0055-P011 | 63,079 | 15,770 | 78,849 | - |
| Bus and Bus Facilities Formula Program | 20.526 | MI-0034-0057 | 2017-0027-P06B | 787,865 | 196,966 | 984,831 | - |
| Bus and Bus Facilities Formula Program | 20.526 | MI-2017-014-02 | 2017-0027-P03B | 594,459 | 148,615 | 743,074 | - |
| Bus and Bus Facilities Formula Program | 20.526 | MI-34-0025 | 2012-0055-P28B | 588,434 | 147,108 | 735,542 | - |
| Total Federal Transit Cluster | | | | 12,835,593 | 3,193,616 | 16,029,209 | - |
| Formula Grants for Rural Areas - Section 5311 Operating Formula Grant | 20.509 | MI-2017-030-01 | No State match | 433,521 | - | 433,521 | - |
| U.S. Department of Transportation - Pass-through programs | | | | | | | |
| from Michigan Department of Transportation (MDOT) | | | | | | - | |
| Metropolitan Transportation Planning & State | | | | | | | |
| & Non-Metropolitan Planning & Research | | | 2017-0027-P008 | - | 391,200 | 391,200 | - |
| Total federal awards | | | | \$ 13,269,114 | \$ 3,584,816 | \$ 16,853,930 | \$ - |

Capital Area Transportation Authority

Notes to Schedule of Expenditures of Federal and State Awards

Year Ended September 30, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal grant activity of the Capital Area Transportation Authority (the "Authority") under programs of the federal government for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Capital Area Transportation Authority

Schedule of Findings and Questioned Costs

Year Ended September 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? X Yes No

Identification of major programs:

| CFDA Number | Name of Federal Program or Cluster |
|-------------------------------|------------------------------------|
| 20.500, 20.507, and 20.526 | Federal Transit Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

Capital Area Transportation Authority

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2019

Section II - Financial Statement Audit Findings

| Reference Number | Finding |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2019-001 | <p>Finding Type - Material weakness</p> <p>Criteria - Appropriate segregation of duties over cash collections should exist.</p> <p>Condition - There is a lack of segregation of duties over cash collections.</p> <p>Context - For the first three months of fiscal year 2019, there was not adequate segregation of duties or oversight related to the daily farebox cash receipting process. The daily farebox receipts were not reconciled to GFI reports, one person initially counted and reported the cash, and multiple employees within the finance department had keys to the vault where physical cash is maintained and access to bus passes. In December 2018, the Authority implemented additional processes and controls that mitigated the risk surrounding the cash collections process.</p> <p>Cause - Until December 2018, the Authority's cash handling policies did not provide adequate segregation of duties or oversight related to the daily farebox cash receipting process.</p> <p>Effect - There is a lack of accounting and control procedures surrounding cash collected within the fareboxes and a lack of physical access controls to the farebox cash on hand and bus passes.</p> <p>Recommendation - We recommend that the finance department continue to look for efficient and effective ways to update its processes and internal controls surrounding physical cash and bus passes and to continue to follow updated internal policies surrounding the safeguarding of cash and bus passes.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Authority policy requires that two employees be present whenever someone accesses the media room, cash room, or vault. Additionally, the Authority has a video surveillance system in place that provides live feeds showing each of those locations.</p> <p>However, in an effort to enhance cash security, the Authority has engaged a security firm to install an electronic card system at the cash and media rooms. Once this system is installed, two employee cards will be needed for an employee to gain access to either of these rooms. Furthermore, the key to the vault is now maintained in a locked file cabinet in the cash room. In order to access the key, the procedures previously mentioned for access to the cash room must be followed.</p> <p>The Authority believes that these actions will fully mitigate the risk.</p> |

Capital Area Transportation Authority

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2019

Section III - Federal Program Audit Findings

| Reference Number | Finding | Questioned Costs |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 2019-002 | <p>CFDA Number, Federal Agency, and Program Name - Federal Transit Cluster (CFDA 20.500, 20.507, and 20.526)</p> <p>Federal Award Identification Number and Year - MI-2017-014-02, MI-34-0025</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - Yes, previously reported as Finding 2018-004</p> <p>Criteria - 2 CFR Section 200.502(a) requires organizations to properly reflect federal expenditures in the schedule of expenditures of federal and state awards (SEFA).</p> <p>Condition - While the total dollars reported on the SEFA were correct, the initial SEFA reported certain federal expenditures under the wrong CFDA number. The expenditures presented on the SEFA for the Federal Transit Cluster (CFDA 20.500, 20.507, 20.526) were initially understated by \$1,182,893, and expenditures for the Transit Services Program Cluster (CFDA 20.513) were initially overstated by \$1,182,893.</p> <p>Questioned Costs - None</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - The classification of the expenditures to the appropriate federal program reported on the schedule of expenditures of federal and state awards required updating. As a result, the original grant expenditures used for major program determination were incorrect. The changes to the schedule of expenditures of federal and state awards impacted major program determination, reducing from two major programs, Federal Transit Cluster (CFDA 20.500, 20.507, 20.526) and Transit Services Program Cluster (CFDA 20.513), to one major program, Federal Transit Cluster (CFDA 20.500, 20.507, 20.526).</p> <p>Cause and Effect - Internal control procedures related to the federal program classification of federal expenditures to be reported on the SEFA did not operate effectively. The Authority's schedule of expenditures of federal and state awards provided to the auditors was inaccurate on a program basis, even though the total federal expenditures reported were accurate. As a result of the error, the programs initially tested during the single audit process did not accurately reflect those programs for which awards were made.</p> <p>Recommendation - Internal control procedures should be implemented to ensure the accuracy of the identification of the federal programs reported in the schedule of expenditures of federal and state awards.</p> | None |

Capital Area Transportation Authority

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2019

Section III - Federal Program Audit Findings (Continued)

| Reference Number | Finding | Questioned Costs |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 2019-002 (Cont.) | Views of Responsible Officials and Corrective Action Plan - The issue occurred when the Authority provided the SEFA to the auditors prior to its review by financial management. The error was caught by the Authority during the financial management review and was corrected. However, it was after the audit was performed. The Authority's auditors were notified of the error by the Authority. In the future, the Authority will ensure that the SEFA is reviewed prior to providing it as a final document to the Authority's auditors. | |



CAPITAL AREA TRANSPORTATION AUTHORITY

April 9, 2020

Summary Schedule of Prior Audit Findings

Prior Year Finding Number:

2018-001

Fiscal Year in Which the Finding Initially Occurred:

2018

Federal Program, CFDA Number and Name:

N/A

Original Finding Description:

Lack of segregation of duties over cash collections

Status/Partial Corrective Action (as applicable):

Fully corrected

Planned Corrective Action:

N/A

Prior Year Finding Number:

2018-002

Fiscal Year in Which the Finding Initially Occurred:

2018

Federal Program, CFDA Number and Name:

N/A

Original Finding Description:

There is a lack of segregation of duties, IT logical access controls, or compensating controls within the payroll and human resources systems.

Status/Partial Corrective Action (as applicable):

Fully corrected



Planned Corrective Action:

N/A

Prior Year Finding Number:

2018-003

Fiscal Year in Which the Finding Initially Occurred:

2018

Federal Program, CFDA Number and Name:

N/A

Original Finding Description:

The Authority currently reports the pension and OPEB trust fund balances outside of the general ledger system in an Excel schedule that is maintained by one individual. That same individual reconciles the pension and OPEB trust fund investments each quarter. During fiscal year 2018, no review process was in place over the quarterly reconciliations of pension and OPEB trust fund investments.

Status/Partial Corrective Action (as applicable):

Fully corrected

Planned Corrective Action:

N/A

Prior Year Finding Number:

2018-004

Fiscal Year in Which the Finding Initially Occurred:

2017

Federal Program, CFDA Number and Name:

Federal Transit Cluster (CFDA 20.500 and 20.507) and Formula Grants for Rural Areas (CFDA 20.509)

Original Finding Description:

The SEFA required adjustments related to a prior year expense recorded on the 2018 SEFA and other minor adjustments. The total adjustment to the SEFA for Federal Transit Cluster (CFDA 20.500 and 20.507) was a reduction of approximately \$180,000.

Status/Partial Corrective Action (as applicable):

Fully corrected

Planned Corrective Action:

N/A

Prior Year Finding Number:

2018-005

Fiscal Year in Which the Finding Initially Occurred:

2017

Federal Program, CFDA Number and Name:

Federal Transit Cluster (CFDA 20.500 & CFDA 20.507)

Original Finding Description:


Contracts were entered into with vendors without verification that the entity was not debarred, suspended, or otherwise excluded.

Status/Partial Corrective Action (as applicable):

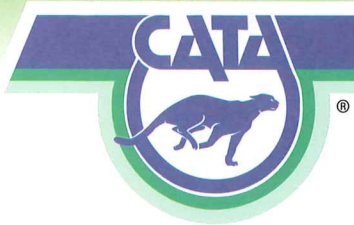
Fully corrected

Planned Corrective Action:

N/A



A handwritten signature in blue ink, followed by the date "4-9-2020" written below it.



CAPITAL AREA TRANSPORTATION AUTHORITY

April 9, 2020

Corrective Action Plan

Finding Number:

2019-001

Condition: Multiple employees within the finance department have keys to the vault (vault requires two keys to unlock, but key are located in the room leading to the vault and the room with keys can accessed via a key from any one finance employee).

Similar to vault access, finance employees also have a key to the room within the finance dept. corridor that houses bus passes. Only one key is needed to access the room.

Planned Corrective Action:

CATA policy requires that two employees be present whenever someone accesses the medium room, cash room or vault. Additionally, CATA has a video surveillance system in place that provides live fees showing each of those locations.

However, in an effort to enhance cash security, CATA has engaged a security firm to install an electronic card system at the cash and media rooms. Once this system is installed, two employee cards will be needed for an employees to gain access to either of these rooms. Further, the key to the vault is now maintained in a locked file cabinet in the cash room. In order to access the key, the procedures previously mentioned for access to the cash room must be followed.

CATA believes that these actions will fully mitigate this risk.

Contact Person Responsible for Corrective Action: Patrick Lemon, Director of Finance

Anticipated Completion Date: August 31, 2020



Finding Number:

2019-002

Condition: While the total dollars reported on the SEFA were correct, the initial SEFA reported certain federal expenditures under the wrong CFDA number. The expenditures presented on the SEFA for the Federal Transit Cluster (CFDA 20.500, 20.507, 20.526) were understated by \$1,182,893 and expenditures for the Transit Services Program Cluster (CFDA 20.513) were overstated by \$1,182,893.

Planned Corrective Action:

This issue occurred when CATA provided the SEFA schedule to the auditors prior to its review by Financial Management. The error was caught by CATA during the Financial Management review and was corrected. CATA's auditors were notified of the error by CATA. In the future CATA will ensure that the SEFA schedule is reviewed prior to providing it as a final document to CATA's auditors.

Contact Person Responsible for Corrective Action: Patrick Lemon, Director of Finance

Anticipated Completion Date: Not applicable



Patrick Lemon
4-9-2020