

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Senior Mobility Program for the Year Ended June 30, 2017

City	Result	City Management Response
Buena Park	Total expenditures per the general ledger did not agree to expenditures reported on four monthly summary reports tested and total expenditures for the year were underreported by \$12,877. In addition, three of the four reports tested were not submitted within 30 days, as required.	City of Buena Park staff will reconcile monthly reports to the general ledger and will request delivery receipts when submitting reports via email to ensure evidence of timely delivery.
Costa Mesa	The City of Costa Mesa's (Costa Mesa) contract with Keolis Transit Services outlines a rate based on "Vehicle Service Hours". Auditors identified \$6,798 in payments for billed service hours during which there was no service provided, per the related trip logs.	Costa Mesa responded that payment of nine hours per day, regardless of actual hours in service, had been standard for this contract; however, city staff conducted a procurement process in May 2017, that specifically outlined in the Scope of Work that charges are to be assessed based on actual service hours. This new agreement was implemented on July 1, 2017.
	Costa Mesa staff had no evidence that the contract with Western Transit Services was competitively procured, as required.	Costa Mesa conducted a competitive procurement for these services in May 2017, and retained all documents and evidence of this procurement. The new service contract will be effective July 1, 2017.
	Expenditures reported on the monthly summary report for February 2017 did not agree to Costa Mesa's general ledger.	Costa Mesa's staff misinterpreted instructions for reporting expenditures on the monthly reports; however, this error was noted and corrected during monthly reporting for May 2017.
Laguna Niguel	The City of Laguna Niguel (Laguna Niguel) incurred total program expenditures of \$69,396 for the year, which included \$11,104 in city-provided general fund match and a match of \$13,878 provided by Laguna Niguel's third party service provider. The M2 funded portion of \$44,414 was incorrectly reflected as \$55,517 on Laguna Niguel's Measure M2 (M2) Expenditure Report.	Laguna Niguel correctly accounted for program expenditures in the general ledger; however, a clerical error was made and the Laguna Niguel's general fund match amount was included in the total reflected on the M2 Expenditure Report. In the future, a more thorough review will be performed to ensure accuracy of reporting.
Laguna Woods	None.	
San Clemente	The City of San Clemente (San Clemente) incurred total program expenditures of \$82,934 for the year, which included \$14,590 in city-provided general fund match and a match of \$16,587 provided by the San Clemente's third party service provider. The M2 funded portion of \$51,757 was incorrectly reflected as \$66,347 on San Clemente's M2 Expenditure Report.	Due to staff turnover, San Clemente will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.
	San Clemente relies on its third party service provider to ensure participants are eligible. The third party service provider relies on the date of birth provided by the participant upon registration to determine eligibility.	Due to staff turnover, San Clemente will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.
	San Clemente originally procured a contract with Age Well Senior Services (Age Well) in 2011. The contract allowed for an initial term of three years and one, two-year option. In May 2016, one month prior to expiration of the contract, San Clemente staff prepared an agenda report stating that "OCTA is giving cities the option to enter into a five year renewal with their paratransit service providers". San Clemente staff could not provide documentation to support this statement and the Orange County Transportation Authority asserted no such direction had been given.	San Clemente will conduct a competitive procurement for services at the beginning of fiscal year 2018-2019.
	San Clemente's total match was incorrectly reported on all four of the monthly reports tested.	Due to staff turnover, San Clemente will identify and direct an individual to become familiar with the reporting and tracking of costs related to this program.

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San Juan Capistrano	The program fund balance included in the City of San Juan Capistrano's (SJC) Expenditure Report did not include interest of \$130.	The interest earned for this program was commingled in SJC's general fund interest income. As a result, the amount was not reported in the Expenditure Report. Starting in fiscal year 2017-18, SJC allocates interest on unspent program funds using a separate cost center. The interest income will be reported properly going forward.
	Expenditures listed on three of the four monthly summary reports tested did not agree to the general ledger. Also, three of the four reports were not submitted within 30 days of month end, as required.	Starting with the monthly report for February 2018, the Assistant Finance Director will review amounts included on the monthly reports to ensure agreement with the general ledger. Also, staff has directed the third party service provider to submit its reports to the SJC within 21 days of month end so that SJC can prepare and submit its monthly reports on time.