

**SACRAMENTO TRANSPORTATION AUTHORITY
AUDIT FINDINGS
AUDIT OF FISCAL YEAR ENDED JUNE 30, 2010**

City of Sacramento Abandoned Vehicle

FINDING – For the City of Sacramento Abandoned Vehicle program, there was a discrepancy in the number of tows between the City’s records and the tow report for the second quarter. A total of 164 tows were reported by the City, however, the tow report shows only 162 tows.

FOLLOW UP – The City is modifying how they enter tow information into their system to minimize or eliminate future errors.

County of Sacramento Abandoned Vehicle

FINDING – Due to use of an incorrect billing code, the number of hours input for the County’s Abandoned Vehicle program resulted in an understatement of expenses totaling \$27,329 for the fiscal year. In addition, the auditors found the prior year indirect cost rate of \$30 per hour was used to calculate the SAVSA billing although the correct indirect cost rate was \$70 per hour for FY 09/10. This did not result in understated expenditures since the SAVSA funds do not typically cover all the abatement expenditures, however, it does highlight a weakness in the County’s overall control structure.

FOLLOW UP – To address the incorrect input of hours, the County’s Finance Department is now entering the timesheet information to ensure accuracy rather than the Human Resource Department. SAVSA staff has sent a written request to the County Neighborhood Services Agency to provide written correspondence describing how the Auditors’ recommendations will be addressed with regards to the labor rates.

Caltrans Measure A

FINDING – The Auditors calculated five labor charges for the US 50 bus/carpool lane project and the differences between their calculations and Caltrans calculations varied from 5% to 116% of the individual employee charge.

FOLLOW UP - Although the Auditors have not received supporting documentation from Caltrans identifying the differences in the labor rate calculations as of the date of their report, they will continue to correspond with Caltrans regarding this finding.

Prior Year Findings

Caltrans Measure A - On the US 50 bus/carpool lane project, the Auditors were unable to recalculate the salary charges using the timesheet and payroll information provided to them by Caltrans. Additional information was also requested on entries identified as adjustments.

Current Status: After the June 30, 2009 report was issued, the Auditors were able to obtain timesheet information to recalculate the salary adjustments and also received sufficient documentation for the entries identified as adjustments. Both findings are resolved.

City of Sacramento Abandoned Vehicle – Auditors noted one instance in which safety equipment was erroneously charged to SAVSA.

Current Status: City staff submitted written commitment that future operating expense submittals would be subject to additional verification in the future. During the June 30, 2010 audit, there were no similar discrepancies for safety equipment expenditures.

County of Sacramento Abandoned Vehicle – The County had several instances in which pay rates used to bill the Authority were understated compared to published labor rates. Also, in two instances, the hours reported on timesheets were improperly excluded from SAVSA billings. Both of these findings resulted in a small understatement of billings. The Auditors also found a slight overstatement of the number of tows reported to SAVSA relative to County records. While none of these issues was determined to be material, they do highlight a weakness in the County's overall control structure.

Current Status: During the June 30, 2010 audit, the Auditors did not note any discrepancies in the number of tows, however, they did note billing errors related to the coding of employee hours.