Compliance Overview Section

Webinar
July 15, 2019
Compliance Overview
Compliance Topics

- Overview
- What’s new
- Review results
- Common findings
- Tips for improving compliance
- STIF compliance
Compliance

Overview

• 75 recipients reviewed at least every 3-5 years
• Conduct 20 reviews per year
• Timing of reviews determined by ODOT risk assessment and other factors
Compliance

Overview

- 122 site reviews completed between 2012-2019
- Round 2 began in 2016: 51 completed to date
- Number of findings are down 35%
What’s New

Compliance reports

• Compliance reports reduced by 50% in size
• Regulatory requirements removed; refer to compliance field guides instead
• Reports contain more specific written guidance on remedies for non-compliance

ANALYSIS
Compliance Findings

Number of Observations by Type

<table>
<thead>
<tr>
<th>Category</th>
<th>Observations</th>
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<tr>
<td>Program Mgt</td>
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<td>Procurement</td>
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<td>Use and Maint.</td>
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<td>Financial</td>
<td>82</td>
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<tr>
<td>Miscellaneous</td>
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Compliance Findings

Procurement

- Poorly written policies
- Lack of recognition of federal requirements in purchasing policies
- No protest procedures
- Failure to include third party clauses in lower tier contracts
Compliance Findings

Equipment Use and Maintenance

- Failure to meet own preventive maintenance intervals
- Lacks lift maintenance procedures
- Lacks facility maintenance program
- Failure to name ODOT as additional insured
Compliance Findings

Americans with Disabilities Act

• Printed public materials not available in alternative formats for the visually impaired
Compliance Tips

Procurements

• Use RPTD website resources
• Work with capital program coordinator on each step
Compliance Tips

Equipment and Preventive Maintenance

• Establish a PM tracking process
• Use sample forms on RPTD website

Americans with Disabilities Act

• Update passenger guides and website with required languages
Compliance Tips

Upload documents at least one week prior to review date

• Allows for a more organized review
• Saves time for all
• No surprises at the exit interview or when the final report is presented
STIF Compliance
STIF Compliance Topics

- Overview
- Who and what is reviewed
- Oversight approach and review process
- Review content
- Formula Fund
- Discretionary funds
- Assets
STIF Compliance Overview

• STIF Formula Fund compliance is different from Special Transportation Formula Fund Oversight
  • STF Formula is an entitlement
  • STIF is a conditional entitlement
• Qualified Entities (QEs) are responsible for oversight of their Formula Fund Public Transportation Service Provider subrecipients
STIF Compliance Overview

What’s new

• Field guide updated to include STIF
• Urban/small urban providers will be reviewed
• New field guide for urban/small
• New guide for QE Formula Fund oversight of PTSP sub-recipients
Compliance Oversight Approach

- Roll STIF into existing review processes, to the extent possible
- On site compliance monitoring program
- Quarterly and annual report review
Who and What is Reviewed

WHO

- All recipients of Formula and discretionary funds
- Urban/small urbans will be reviewed now

WHAT

- Scope varies depending on fund type and whether recipient is already reviewed by FTA
What Cont.

• Urban/small urban scope limited to STIF, STF, and subrecipient oversight
  • Presume compliance with FTA financial management, procurement and ADA requirements, confirmed by desk review of FTA triennial report and last 3 single audits
  • All other recipients continue to receive full reviews with addition of STIF
On-site Review Process

- STIF topics included in regular on-site reviews
- Independent 3rd party reviewer
- Scheduled 3-4 months in advance
- 30-day consultant intro email/doc request
- Provide documents 7 days prior to site review
- Desk review occurs prior to on-site review
- Exit conference at end of last day to review deficiencies and determine remedy due dates
- Final report issued within 60 days
Types of Site Review Processes

Three types of reviews:

- **Full direct provider**: 11 topics over 2 days
- **Pass-through**: Exclude Ops Management, Procurement, Use and Maintenance or Charter and School Bus. These take less than a full day.
- **Urban/Small Urban**: STIF, STF, and monitoring subrecipients in less than 1 day.
Full Direct Provider Review

- Program, financial, and operations management
- Procurement
- Use and maintenance of equipment
- Civil Rights and Americans with Disabilities Act
- Charter and school bus
- Statewide Transportation Improvement Fund
- Special Transportation Fund
- Monitoring of subrecipients
Pass-Through Provider Review

- Program management
- Financial management
- Civil Rights
- ADA (facilities only)
- Statewide Transportation Improvement Fund
- Special Transportation Fund
- Monitoring of subrecipients
Urban/Small Urban Review

- Statewide Transportation Improvement Fund
- Special Transportation Fund
- Financial Management
- Requirements for STIF-funded assets
- Americans with Disabilities Act
- Monitoring of lower tier subrecipients
7 Sub-Sections of STIF Review

- Budget and accounting requirements
- STIF advisory committee
- Formula Fund allocation method
- STIF Plan contents
- STIF reporting
- Discretionary funds
- Capital assets
Budget and Accounting

Has the Qualified Entity:

• Submitted its budget to ODOT within 30 days of adoption?

• Established separate accounts for all three STIF funds, as relevant?

• Deposited STIF funds in an interest bearing account and reported the interest to ODOT?

• Established a record retention policy consistent with Oregon requirements?
  
  o Financial Records: Six years following final disbursement
  o Capital: Three years following asset disposition
STIF Advisory Committee

By-Law Requirements

• Name and purpose
• Number of members and membership criteria
• Description of the appointment process
• Terms of office and frequency of meetings
• Public notice procedures for all meetings
• Process for evaluating PTSP proposals
• Decision-making criteria for evaluating proposals
• Definition of “high percentage of low-income households”
STIF Advisory Committee

Composition

- Indian Tribe: Three members
- Transportation District or County: Five members
- Mass Transit District: Seven members
- Joint Committee of two or more QE’s: Based on the entities involved (Minimum number that would be required for each type of QE participating in the joint committee)
STIF Advisory Committee

Representation

• For all QEs except tribes, at least one member who is or represents:
  o Low-income
  o Age 65 or older or people with disabilities
  o PTSP or non-profit entities that provide public transportation services

• Mass transit or transportation districts must include members from within and outside its area of responsibility
Formula Fund Sub-allocation Method

- Did the QE work collaboratively with PTSPs and other potential subrecipients to develop the method?
- Is the method proportionate to revenue generated within geographic territory of each PTSP, to the extent possible, using best available data?
STIF Plan Requirements

For each project

- Project description
- Project budget by category and activity detail
- Whether it will improve/expand or maintain service
- Rationale proposing to maintain an existing service
- Anticipated benefits and measurable outcomes
- Budget allocated to each of the seven benefit areas
- Consistency with Oregon Public Transportation Plan
STIF Reporting

Were all reporting requirements met?

- Financial Audits: 30 days after receipt
- QE’s adopted budget: 30 days after adoption
- QEs written agreement for joint management: 30 days after adoption
- Written agreement with subrecipients: 30 days after execution
- Provision information to ODOT if PTAC recommends rejection of STIF Plan: 30 days after notice
- Capital asset reports: Quarterly
- Quarterly reports for 1st-3rd quarters: 45 days after the end of each quarter; and 4th quarter
Discretionary Funds

• Evaluate match
• Review of recipient qualifications (OAR 732-44-0020)
• Review of reporting performance (OAR 732-44-0040)
Capital Asset Requirements

Asset inventories

• All elements for assets and vehicles are listed in the field guide and in OAR 732-042-0040 (2)

Asset maintenance

• Maintenance plan for asset (vehicle, facility)
• Maintenance intervals in plans at least manufacturer recs
• Maintenance performance (80% on-time) - vehicle and facility
Resources by Provider Type

• Direct Provider Compliance Field Guide
• Pass-Through Compliance Field Guide
• Urban/Small Urban Compliance Field Guide
• STIF Formula Qualified Entity - Subrecipient Oversight Guide
• All located here: https://www.oregon.gov/ODOT/RPTD/Pages/Compliance-Review.aspx
Compliance

Any Questions?
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