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In square brackets: [OIG material added by the Observer]

## **Suwannee Valley Transit Authority (SVTA) response to Advisory Report No. 141 - 9022**

Date: January 16, 2015

The Advisory Report contains three (3) findings: (1) Non-compliance with required accounting principles; (2) Insufficient time and attendance reporting and (3) questioned compensatory leave payouts. This response will address each finding in turn.

Finding 1: [SVTA's chart of accounts and General Ledger are not maintained in accordance with accounting principles contained in or referenced by the contract terms and conditions.]

The independent financial audit of SVTA's books and records by Powell & Jones for FY 2012 and FY 2013 did address the issue of whether the financial statements were being prepared in accordance with Generally Accepted Accounting Principles (GAAP). In the FY 2013 audit, all findings concerning GAAP were resolved, according to Powell & Jones. Due to the last two (2) independent audits both the SVTA staff and Board believed SVTA's Chart of Accounts and General Ledger were maintained in compliance with GAAP. However, the Board and staff of SVTA look forward to working with the Department to implement any further corrections deemed necessary.

Finding 2: [SVTA failed to properly manage administrative personnel timesheets, leave, overtime, and compensatory time resulting in inaccurate labor and fringe benefit reporting, unsupported accruals of leave, and unallowed leave payments.]

All employees, including exempt employees, now use a time clock to record when they begin and end their respective work day. Any claim for compensation, either in money or comp time, not supported by time clock records will be denied.

The report specifically mentions 19 missing time records for the former Director of Operations, William Steele. Those records have been located and true and correct copies are attached for your review.

Finding 3: [The SVTA Administrator employed practices, without obtaining Board authorization, which resulted in her personal benefit and the benefit of the Director of Operations. The Administrator and Director of Operations received \$192,813 (\$125,036 and \$67,777 respectively) in unallowed payouts beyond their salaries between June 2012 and March 2014.]

~~FY 2013, SVTA staff believed that Policy and Procedures were in place regarding the pay-out of comp time.~~ At its meeting on Tuesday, August 12, 2014, the Board

amended the comp time policy to provide that comp time will be earned on an hour for hour basis. Accrual of comp time will be based on the 80 hour pay period. At its meeting on Tuesday, January 13, 2015, the Board further amended the comp time policy to provide that exempt employees, supervised by the Administrator, must obtain the Administrator's approval prior to accruing comp time. The accrual of comp time by the Administrator must be approved by the Chairman of the Board. In both cases the comp time must be taken within 30 days of the end of the pay period in which the comp time was accrued or it will be lost. The Administrator will make a report to the Board at its next meeting reporting who, why and how comp time was earned.

Miscellaneous:

Several months ago the Board hired a secretary to take minutes of all Board meetings. The Board is ~~looking into the possibility of~~ pursuing having the minutes, as well as its agenda packets digitized.

The interlocal agreement creating the SVTA is currently under revision and updating. This process is expected to take approximately three (3) months to complete.

Finally, the Board is taking and will continue to take a more pro-active role in its oversight of the operations of SVTA. While being more pro-active in its oversight, the Board will avoid micromanaging the SVTA.

Respectfully,

Jason Bashaw  
Chairman  
Suwannee Valley Transit Authority