



NAPA VALLEY TRANSPORTATION AUTHORITY-TAX AGENCY ITOC Agenda Letter

TO: Independent Taxpayer Oversight Committee
FROM: Kate Miller, Executive Director
REPORT BY: Antonio Onorato, Director of Administration, Finance, and Policy
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SUBJECT: Measure T Compliance and Performance Audit Work Plan for City of Napa and Town of Yountville

RECOMMENDATION

That the ITOC discuss the audit work plan for any compliance or performance audits that is commissioned for the audit review period and recommend an approach to NVTA staff.

EXECUTIVE SUMMARY

Measure T is subject to three types of audits: the annual financial audit, performance audits, and compliance audits. At the June 6, 2019 Meeting, the ITOC approved performance and compliance audits for the City of Napa and Town of Yountville for the fiscal year ending June 30, 2020. Staff will need to inform the CPA's on the number of performance and compliance audits the ITOC will want to undertake during the fiscal year in consideration of financial resources available.

FISCAL IMPACT

Is there a fiscal impact? Not for this report.

BACKGROUND AND DISCUSSION

The language in Measure T necessitates completing a financial audit and a compliance audit although the ordinance was silent on the timeframe of those reviews. At the July 11, 2019 ITOC meeting, the committee approved a rotating schedule for the compliance and performance audits.

The audit schedule is as follows:

FY 2019-20: City of Napa, Town of Yountville

FY 2020-21: County of Napa, St. Helena

FY 2021-22: American Canyon, Calistoga

Measure T auditing firm, Brown Armstrong Accountancy, has informed staff that they are planning their audit schedule and work plan for Fiscal Year 2018-19. To inform the auditor's schedule, ITOC will need to determine the number of compliance and performance audits that the auditors should perform to ensure adequate resources are available for fieldwork which will occur during the week of for the audit period of July 1, 2018 to June 30, 2020.

Projects in early stages of delivery are not likely to have many or any transactions for auditors to review. Therefore, staff is recommend that the ITOC consider a sampling of the number of projects completed or in the event that no projects have been closed out to date, a sampling of projects in advanced stages of delivery, or a combination thereof. The City of Napa has completed XXX projects to date, and XXX projects are in advanced stages of delivery. The Town of Yountville has completed XXX projects and XXX projects are in advanced stages of delivery. The ITOC should also keep in mind the limited resources to complete the audits.

The auditors will be able to plan for these audits if a schedule is known beforehand and sampling can occur prior to fieldwork time giving the financial directors of the jurisdictions notice and adequate time to prepare the documentation.

A compliance audit is a comprehensive review of an organization's adherence to ordinance and guidelines. Audit reports could evaluate a number of factors such as the strength and thoroughness of compliance preparations, security policies, user access controls and risk management procedures over the course of a compliance audit. Compliance auditors provide details to company leaders about the organization's level of compliance adherence, any violations and suggestions for improvement.

A performance audit is an assessment of an entity's operations to determine if specific programs or functions are working as intended to achieve stated goals. The audit may assess the overall jurisdictions performance or a specific project. A performance audit examines a program, function, operation or the management systems and procedures of a governmental or non-profit entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources.

Table 1 below outlines the costs for each audit type. The ITOCs budget will fund the cost of each audit that is commissioned. After other operating deductions, the ITOC currently has roughly \$120,000 banked from FY 2019 and FY 2020 combined.

Table 1: Audit Costs by Category

Audit Category	Amount
NVTA TA Financial Audit	\$ 5,460
NVTA-TA Compliance Audit	
City of Napa	\$ 3,100
County of Napa	\$ 3,100
City of American Canyon	\$ 3,100
Town of Yountville	\$ 3,100
City of Saint Helena	\$ 3,100
City of Calistoga	\$ 3,100
NVTA	\$ 3,100
NVTA-TA	\$ 3,100
NVTA TA Performance Audit	
City of Napa	\$ 3,100
County of Napa	\$ 3,100
City of American Canyon	\$ 3,100
Town of Yountville	\$ 3,100
City of Saint Helena	\$ 3,100
City of Calistoga	\$ 3,100
Minor Projects	
Per Project	\$ 3,100
TBD/Other	\$ 3,100

SUPPORTING DOCUMENTS

Attachment: (1) Measure T Project List for City of Napa and Town of Yountville

Measure T Projects

Project Number	Project Location
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Jusisdiction: City of Napa

19501	Trower Ave: Jefferson Street -29
19502	Trower Ave Dry Creek Road to Linda Vista Avenue
19503	Westwood Neighborhood Phase 1
19571	Westwood Neighborhood Phase 2A
19572	Trancas Street from Hwy 29 to Jefferson Street
19573	Trower Ave Dry Creek Road to Linda Vista; Trower Avenue from Jefferson Street to East End (City Limits)
19574	Main Street/ Lincoln Avenue Intersection
20501	ATMS- Traffic Signal Jefferson Street
20504	Soscol Avenue Rehabilitation
20505	West Lincoln Avenue
20506	Coombs Street and South Coombs
20507	Laurel Street Phase 1

Jusisdiction: Town of Yountville

19504	Yount Street- Mount to Finnel
19516	Yount St- Finnell to Washington
	Mulberry Street- Washington St
	Adams Street- Yount to Lande
	Heather Street- end to Mulberyy
	Holly Street-Larkspur to Mulberry
	Jefferson Street- Washington to Jefferson
	Lande Way- Adams to Lande
	Larkspur Way- E/S Heather - Holly St
	Mulberry Street Washington Sst to W/S Ivy Ct
	Mulberry Street-Heather ST to Holly ST
	Pedroni Street -Washington to Jefferson
20503	Stags View Lane Yville Cross to Lande