

GRTC Revenues Audit



Audit Report Staff

Louis Lassiter, City Auditor

Lily Hernandez, Deputy City Auditor

W. Bret Lewis, Lead Auditor

Jonolyn Brevard Wills, Senior Auditor

Background

The Office of the City Auditor conducted this audit as part of the FY20 audit plan approved by the Audit Committee. The objectives for this audit were to evaluate the finances of GRTC by reviewing the internal controls over revenue collections.

What Works Well

- GRTC has strong internal controls to safeguard cash counted in the Money Room.
- Farebox and the Ticket Vending Machine (TVM) collections processes have controls in place to safeguard the funds collected.
- GRTC has strong internal controls over the reconciliations for credit card payments and Farebox collections.

Needs Improvement

Power to Issue Summonses

The Fare Enforcement vendor is not in compliance with the summons contract requirement as the fare enforcement officers are not qualified to exercise this power.

- We recommend that GRTC Management ensure the enforcement officers are qualified to issue civil summonses to fare evaders.
- We recommend GRTC Management ensure the vendor issues summonses to fare evaders as required in the contract.

Needs Improvement

Enforcement Officer Inspections

The auditors rode the Pulse Rapid Transit for 58 rides & out of 30 encounters with the FEOs:

- The auditors presented an invalid ticket once, which the FEO identified as invalid (3%). Once the invalid ticket was identified by the FEO, the auditor presented a valid ticket. The invalid ticket was not confiscated as noted in the vendor's SOP.
- The auditors presented invalid tickets eleven times. These were not identified as invalid (37%).
- The auditors was not requested to show proof of payment in eight instances (27%).
- The auditors either presented an accurate pass or was not required to show proof of payment due to a previous inspector's check 10 times (33%).

Needs Improvement

Enforcement Officer Inspections

- We recommend GRTC management establish an oversight process to ensure the vendor's Enforcement Officers conduct proof of payment inspections as required.
- We recommend GRTC management work with the fare box team to increase the purchase date font size on the Pulse tickets to enhance the Fare Enforcement Officers' ability to perform their duties.

Needs Improvement

Fare Evasion

GRTC estimates their fare evasion rate ranges between 12% and 14%. These percentages are obtained by dividing the total number of buses in which patrons are removed from by the total number of buses in which Enforcement Officers board.

- We recommend GRTC management conduct an independent fare evasion study which includes a statistical sample for the Pulse line.

Needs Improvement

Jam Box Collection

A GRTC staff member collects the funds deposited in the jam boxes from the parked buses in the GRTC lot two to three times per week. The funds collected are taken to the money room and counted by the same employee. A tracking mechanism is not in place to account for all the funds deposited in the jam boxes.

- We recommend GRTC management implement adequate internal controls over the jam box collection process by requiring the presence of at least two individuals when collecting and counting funds from the jam boxes..

Needs Improvement

Ticket Vending Machines (TVM) Reconciliations

TVM collection printouts are sometimes shredded prior to the Staff Accountant reconciling the funds received.

The Staff Accountant did not reconcile the funds received with the TVM printout prior to recording it in the financial system.

- We recommend GRTC management develop and implement standard operating procedures for reconciling the funds collected from the Pulse Ticket Vending Machines.

Other Observations

Benchmarks

The GRTC Pulse line received a Bronze certification from the Institute for Transportation and Development Policy (ITDP) based on the BRT Standard (a standard created to recognize high quality BRT systems around the world).

Question regarding system and Fare Enforcement	Transit A <u>1.02</u>	Transit B <u>1.03</u>	GRTC PULSE
Length In Miles	7	9.4	7.6
Stops (one way)	35	11	14
Annual Ridership (in thousands)	4,000	3,520	1,999
Who Provides Fare Enforcement?	Their own Agency	The Service Provider that operates the routes	Third Party Vendor
Warnings Given to fare evaders	Yes	Yes	Yes (no citations written)
Fare Evasion Rate	No Response Received	12%	12-14%
Signs on Buses notifying customers to have proof of payment	Yes	Yes	Yes
Goal to Inspect Passengers	Inspect almost 100%	10% of riders	No quota, (100% of passengers on buses boarded)
Citation Amount	\$50 (approximately)	\$75	N/A ¹
Who keeps the Citation Revenue?	The Transit Agency, unless sent to court. Then the City/Courts split the revenue	The State	N/A
Platforms are "paid only" zones	No	Yes	No

Other Observations

Grants

Grant Opportunities		
		Applied
1	Better Utilizing Investments to Leverage Development (BUILD) Transportation Grants Program (Formerly TIGER)	No
2	Capital Investment Grants - 5309	No
3	Flexible Funding Programs - Surface Transportation Block Grant Program - 23 USC 133	No
4	Human Resources & Training - 5314 (b)	No
5	Integrated Mobility Innovation	No
6	Metropolitan & Statewide Planning and NonMetropolitan Transportation Planning - 5303, 5304, 5305	No
7	Mobility on Demand (MOD) Sandbox Demonstration Program - 5312	No
8	Pilot Program for Expedited Project Delivery - 3005(b)	No
9	Safety Research and Demonstration Program	No

- We identified nine, non operational/specialized grants that were applicable to GRTC in FY19.
- Although these grants were available, a project need must exist before applying. According to management, the project needs did not exist at the time.
- In the past three years (FY15-FY17), GRTC applied multiple times for three grants; however, according to management, they were unable to secure funding due to the competitive nature of capital grants.

Questions

