



Council Auditor's Office

Follow-Up on JTA Paratransit Audit

Report # 798A

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OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



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Report #798A

Honorable Members of the City Council
City of Jacksonville

The purpose of this report is to document our follow-up review of our past report #798, JTA Paratransit Audit, and to determine whether corrective action has been taken in response to our findings and recommendations. We are providing this special written report in accordance with Ordinance Code Section 102.102. This report does not represent an audit or attestation conducted pursuant to Government Auditing Standards. The initial audit report can be found on our website.

We sent a follow-up letter to Jacksonville Transportation Authority (JTA) on October 16, 2019, inquiring as to the status of the original audit report recommendations. We reviewed the recommendations from our audit report, the auditees' responses to the recommendations, and the auditees' responses to our follow-up letter. We then performed limited testing to verify the responses.

Based on the responses received and our follow-up testing, a table detailing the original number of issues noted and the number of issues resolved as of this follow-up is included below.

| Types of Issues | Original Number of Issues | Issues Cleared | Remaining Issues |
|-------------------------------|----------------------------------|-----------------------|-------------------------|
| Internal Control Weaknesses | 5 | 4 | 1 |
| Findings | 6 | 4 | 2 |
| Opportunities for Improvement | 2 | 1 | 1 |
| Total | 13 | 9 | 4 |

The following is a summary of the remaining issues with responses from Monique Thompson, Director – Audit & Compliance, that we received on October 27, 2020.

Finding 1-1 *Manipulated Trip Data by Contractor Staff*

During the initial audit, we found that the contractor's staff misused their access to the trip scheduling system by altering the pick-up times of paratransit riders, making it appear that the riders had been picked up on time. These adjustments directly impacted the contractor's on-time performance. We found that these adjustments were being performed over the entire initial audit period and were made by nine different staff members while under the direction of three different on-site managers. As such, we recommended that JTA:

- review system access and modify the trip data validation process,
- perform periodic reviews of system audit log data,
- amend the contract to include provisions that would make unnecessary alterations of trip data a breach of contract resulting in substantial penalties to the contractor or termination of the contract; and
- conduct its own review of the data to determine if alterations were still being made that would warrant any further action.

On December 31, 2018, JTA authorized the eighteenth contract amendment, eliminating the driver manifest, which was used by the driver to hand record individual trip data such as arrival times, rider information and fare collected. This effectively placed more reliance on the data being generated by the system and resulted in JTA modifying its data validation process. Previously, all trip data was subject to the validation process on a sample basis. With the elimination of the driver manifest, the validation process is limited to the times of the first and last stops, along with other run information such as breaks, total fare collected, and additional comments from the driver.

In performing our follow-up review, we found no evidence that manually adjusted trip times were impacting the contractor’s on-time performance assessment, and the contract had been modified to include penalties for unnecessary alterations to the data. However, we did identify that the manual adjustments being made did not always include a comment. While adjustments may be necessary, it is difficult to determine whether an adjustment was needed without a comment. However, given the volume of adjustments, there may be an opportunity to implement a policy of when a comment is required in lieu of blanketly requiring a comment in all instances.

As it relates to JTA’s review of the past and periodic audit log reviews, the report being used was not capturing all applicable adjustments and there was no sign-off related to the review. We recommend the review be documented and all applicable adjustments be included in the review.

Response to the Follow-Up of Finding 1-1

Agree Disagree Partially Agree

To mitigate the following concern, the Jacksonville Transportation Authority will create a procedure to identify adjustments that requires a comment and the process for reviewing audit logs. Prior to the procedure being in place, a formal training for the new requirement will be provided to all Trapeze users with the noted capability. Once the policy is in place, the Connexion Analyst, will ensure future log reviews include all applicable adjustments and encompasses proper signs of review.

Finding 1-2 *Inaccuracies on Invoices*

During the initial audit, we identified several inaccuracies in the periodic payments being made to the contractor. These inaccuracies were caused by failing to apply penalties when warranted and applying penalties when not warranted. Ultimately, the inaccuracies netted, resulting in a negligible impact to total payments reviewed. As such, we recommended that JTA calculate all incentives and penalties correctly in accordance with the contract.

Overall, assessments appear to have been properly calculated and assessed. However, we noted an error in the productivity assessment for the period of September 2019. The assessment was undercalculated and resulted in the contractor being overpaid by \$3,077. The total penalty assessed for that period was \$15,227 but should have been \$18,304. We recommend that JTA address this past calculation issue and continue to strive to be more diligent with this review.

Response to the Follow-Up of Finding 1-2

Agree

Disagree

Partially Agree

Due to recent turnover, the noted discrepancy was not reviewed for accuracy. Currently, the Jacksonville Transportation Authority is in the process of filling a Connexion Manager position. During this interim period, once the assessment is completed by the Connexion Analyst the assessed payment amount will be reviewed by the Director-Auditor & Compliance for accuracy.

Internal Control Weakness 1-2 *Written Manifest Changes*

During the initial audit, we found that changes were being made to the completed and signed driver's manifest. These changes were not clearly marked with a date and signature indicating who made the change. Given that the manifest was an important source document for verifying the accuracy of the invoice amounts owed by JTA to the contractor, we recommended that all changes made to the paper manifests, after sign-off by the driver, be signed and dated by the person making the change.

As stated in Finding 1-1 above, JTA eliminated the driver manifest. The manifest was replaced with a single page coversheet that lists key information related to calculating payments to the contractor. This document is required to be signed by the driver and a supervisor. While performing our follow-up review, we examined 422 coversheets and noted that 156 of them had modifications. Of those 156 with modifications, 119 of them did not have a signature by the modification indicating who made the change and none were dated. Given the importance and use of these documents, any modifications, corrections, or adjustments should be initialed and dated, authenticating its accuracy.

Response to the Follow-Up of Internal Control Weakness 1-2

Agree

Disagree

Partially Agree

To ensure modifications are dated, signed and/or initialed, the Jacksonville Transportation Authority will create a procedure to address how coversheet corrections are handled and the verification process that will be instituted to fill any potential gaps.

Opportunity for Improvement 3-1 *Scheduling Review*

During the initial audit, we noted that approximately 17% of the trips had violations related to late pickups/drop-offs or trip length. We also noted that 48% of the complaints we reviewed were related to late pickups/drop-offs and were mainly due to scheduling/routing issues and same-day insertion of riders on a vehicle, usually by a dispatcher. As such, we recommended that JTA review its scheduling model and dispatcher practices of the contractor to determine whether changes could be made that would result in better performance.

Based on our follow-up review, the scheduling and dispatching process appears to be essentially the same as it was at the time of the initial audit, and the percentage of trips that incurred a late pick-up or on-board violation remain about the same. Therefore, we continue to recommend that JTA review its scheduling model and dispatcher practices of the contractor to determine whether changes could be made that would result in better performance.

Response to the Follow-Up of Opportunity for Improvement 3-1

Agree

Disagree

Partially Agree

The Jacksonville Transportation Authority (JTA) strives for continuous improvement with our Connexion services. Therefore, during our recent procurement, we provided specific language that requires all respondents to detail how their services can benefit the JTA. A contract has been awarded to Trapeze to provide additional efficiencies and capabilities for scheduling and dispatching. These efficiencies will aid in greater productivity and on-time performance. In addition, our Connexion drivers will be able to utilize tablets, instead of Mobile Data Terminals (MTDs) and a full operational assessment is included with the upgrade to ensure noted efficiencies are noticeable.

We would like to thank JTA for their cooperation in conducting this follow-up review.

Sincerely,

Kim Taylor

Kim Taylor, CPA
Council Auditor