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INFORMATION:

Internal Audit Report – CATS BLE

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Council's Governance and Accountability Committee is charged with reviewing all internal audit reports. Recently, the Committee agreed that all reports would be distributed to all Council members. The report attached below was issued June 9, 2014, and is the third to be distributed to Council in this manner.

Internal Audit staff have completed an audit of prime contractor STV/RWA's direct labor, overhead and fees for its Northeast Corridor Light Rail Transit Project (BLE), for the fiscal year ended September 30, 2013. Senior Auditor Marie Marsicano led staff's efforts. For the period audited, STV/RWA submitted 12 project-related invoices to CATS totaling \$17,208,490. Auditors reviewed direct labor charges of \$4,192,786, and overhead and fees of \$7,344,597. The audit did not include a review of other direct costs which totaled \$5,671,107.

Conclusion

Other than the need to reconcile overhead rates, there were no additional audit findings. These results indicate a high level of compliance with federal contracting guidelines by the contractor, along with effective administrative efforts by CATS staff.

Summary Results

Auditors addressed STV/RWA and resolved a number of issues related to the company's direct labor charges. During the audit, STV/RWA supplied timely responses and documentation. As a result, there are no findings related to direct labor for the audit period. As is typical in contracts involving federal funding, the contractor used a provisional overhead billing rate, which is adjusted to the actual rate following completion of a financial audit. Staff's review of overhead rates found that a reconciliation payment totaling \$54,878 is due to STV/RWA, to reflect audited results from the fiscal year ended September 30, 2013.

CATS staff reviewed the draft report and provided a response to the audit recommendation, which is included in the report below. Auditors will verify the transmittal of the reconciling payment within 30-60 days and report these results to the Governance and Accountability Committee.

ATTACHED: [CATS internal audit](#)

Airport Connector Bus Service

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With the onset of the summer travel season, Charlotte Douglas International Airport is expecting capacity constraints on available parking. To help alleviate this situation, the Charlotte Area Transit System (CATS) and Charlotte Douglas International Airport are working together to provide express bus service from outlying park and ride lots to Charlotte Douglas International Airport. Service will be provided starting on June 16, 2014 and could continue through December 31, 2014. Buses will run every half hour between the hours of 5:00 a.m. and midnight seven days each week.

Two separate bus routes will operate. Route 590 Airport Connector - Northlake will pick up riders at the CATS park and ride lot at Northlake Mall and express via I-485 to Charlotte-Douglas International Airport. Route 591 Airport Connector – Archdale will pick up riders at the CATS park and ride lots along the Lynx Blue Line at Archdale, Tyvola and Woodlawn stations.

For security reasons, no 24-hour parking will be permitted at the park and ride lots, as this service is designed to primarily accommodate Airport employees and travelers who are dropped off at the bus stop.

One-way cash fare is \$2.75, but the fare will increase to \$3.00 one-way on July 1, 2014 according to budget parameters approved by the Metropolitan Transit Commission and Charlotte City Council. CATS also offers weekly, monthly and ten-ride passes for frequent riders. Schedule and fare information about the service can be accessed on CATS website (www.ridetransit.org) or by calling 704-336-RIDE (704-336-7433).

The Charlotte Area Transit System and Charlotte Douglas International Airport will announce the new service to the public at the Tyvola light rail station on Thursday, June 12 at 9:30 a.m.

ATTACHMENT:

[City Council Follow-Up Report](#)

--Taxi Cabs at the Airport