



INTERNAL MEMORANDUM

TO: Vida Morkunas
Manager, Grants and Capital Program Division

DATE: March 11, 2008

FROM: Catherine Clark
Senior Auditor, Audit & Review Division

SUBJECT: Close-out Audit of the Village of Orland Park IGA

We have completed a review of the Grants and Capital Program Division's administration of the Village of Orland Park Intergovernmental Agreement (IGA) as described below. Our audit was planned and performed to obtain reasonable assurance that prior to the Grants and Capital Program Division initiating the close-out process for the project, compliance with relevant policies and procedures was followed.

Project Audited

The Village of Orland Park Transit Oriented Development Planning Study developed a conceptual plan to facilitate mixed-use development in the Metra 143rd Street station area. The plan thematically ties the station area to Orland Park's historic district, south of 143rd Street. The plan also included a recommendation for the relocation of the commuter rail station to the north and east of its current location to mitigate access and circulation problems at the original station site. The Scope of Services is being performed by Farr Associates Architecture (contractor) through a Professional and Consulting Services Agreement with the RTA entered on October 28, 1999 in the amount of \$50,000. The project utilized funding provided by the RTA and reimbursement was sought from the Village of Orland Park (See attached Schedule of Project Costs Claimed).

Audit Objectives

Our main objective was to verify that the RTA received reimbursement of funds from the Village of Orland Park in accordance with the agreement with that agency.

Audit Scope

The scope of this audit included a review of the following:

- Documents relating to the requirements of the Division's administrative procedures.

- Supporting documentation applicable to the Intergovernmental Agreement between the Village of Orland Park and the RTA and the Professional and Consulting Services Agreement between the RTA and the contractor.
- The invoices submitted by the contractor, which had been reviewed and approved for payment by the Project Manager.
- Payments which the RTA made to the contractor.
- Verification of the payment made to the RTA from the Village of Orland Park.

No exceptions were found.

Audit Task Performed

The specific tasks we performed during the audit were as follows:

1. Verified an invoice was received from the contractor for the period the project was active, which included backup documentation from the contractor.
2. Verified that the project stayed within the approved project budget.
3. Reviewed payments which RTA made to the contractor for the project, which included backup documentation from the contractor, to ensure that:
 - Requests for payments were made for work that occurred on or after the effective date of the Intergovernmental Agreement and the Professional and Consulting Services Agreement.
 - Only reimbursable costs allowed under the terms of the agreement's Scope of Services were billed.
 - The contractor's invoices were supported by properly approved supporting documentation (i.e. contractor's time records, record of travel expenses, overhead, etc.), and that their calculations were accurate.
 - The RTA made payments to the contractor after proper internal approvals were obtained.
4. Verified that the RTA applied for proper reimbursement from the Village of Orland Park and that the RTA received the funds.

We have attached a Schedule of Project Costs Claimed for the project which shows various numeric data such as the project budget amount, Village of Orland Park's share of the project budget, consultant's contract amount, etc. The data shows that the RTA received reimbursement from the Village of Orland Park for their portion of the project.

Audit Conclusions

Based on our audit of the Village of Orland Park IGA, we have concluded that the RTA has been fully reimbursed by the Village. It is our recommendation the Grants and Capital Program Division initiate the close-out process for this project.

Attachment

copy→ Jay Ciavarella, Division Manager, Special Programs
Joe Costello, SDED, Finance & Administration
Leanne Redden, SDED, Strategic Planning & Regional Programs

**SCHEDULE OF PROJECT COSTS CLAIMED
VILLAGE OF ORLAND PARK INTERGOVERNMENTAL AGREEMENT (IGA)**

| | | | | PROFESSIONAL AND CONSULTING SERVICES | | | |
|--|-----------------------------------|--------------------|--------------------|---|-------------------------------------|--|---------------------|
| | IGA BETWEEN THE RTA & THE VILLAGE | | | AGREEMENT BETWEEN RTA & FARR ASSOCIATES (contractor) | | COST CLAIMED (40%) FROM THE VILLAGE | |
| PROJECT TITLE/ PROJECT DESCRIPTION | PROJECT BUDGET | RTA SHARE | LOCAL SHARE | CONTRACT AMOUNT | TOTAL PAYMENT TO FARR ASSOCIATES | AMOUNT CLAIMED | PAYMENT RECEIVED |
| | \$50,000.00 | \$30,000.00 | \$20,000.00 | \$50,000.00 | \$50,000.00 | \$20,000.00 | \$20,000.00 |
| Project Title: Village of Orland Park Transit-Oriented Development Planning Study | | | | | | | |
| TOTAL | \$50,000.00 | \$30,000.00 | \$20,000.00 | \$50,000.00 | \$50,000.00 | \$20,000.00 | \$20,000.00 |
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