



**DATE:** July 19, 2023

**TO:** Transportation Authority of Marin Citizens' Oversight Committee

**FROM:** Li Zhang, Deputy Executive Director/Chief Financial Officer

**SUBJECT:** Review the 2023 Measure A/AA Transportation Sales Tax Compliance Audit Auditee Selection List (Action), Agenda Item No. 9

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## **RECOMMENDATION**

The Citizens' Oversight Committee (COC) reviews the 2023 Measure A/AA 1/2-Cent Transportation Sales Tax Compliance Audit Auditee Selection List and refers it to the TAM Board for acceptance.

## **BACKGROUND**

Both the Measure A and Measure AA 1/2-Cent Transportation Sales Tax Expenditure Plans provide TAM with the authority and responsibility to audit all Measure A/AA fund recipients for their use of the sales tax proceeds. Independent compliance audits are explicitly permitted under the terms and conditions of TAM's funding agreements/contracts with all Measure A/AA 1/2-Cent Transportation Sales Tax funding recipients as well. The TAM Board adopted the original Measure A Compliance Audit Policy, which was developed by the staff under guidance of the COC, at its October 28, 2010 Board meeting and the implementation of the Policy started in 2011. The Compliance Audit Policy was updated to include all categories under Measure AA, reviewed by the COC at its March 16, 2020 meeting, and approved by the TAM Board at its April 23, 2020 meeting. According to the policy, each year recipients are selected for auditing.

## **DISCUSSION/ANALYSIS**

The 2023 Compliance Audit Cycle will cover Measure A/AA 1/2-Cent Sales Tax expenditures which occurred in or prior to FY2022-23. Those audits will help TAM further confirm that Measure A/AA 1/2-Cent Sales Tax funds are spent in accordance with the requirements of the Expenditure Plans. Based on the schedule and selection criteria and requirements specified in the Measure A/AA Compliance Audit Policy, a total of six compliance audits are recommended to be conducted for this round as presented in the table on Page 2.

**Sales Tax Fund Recipients Selected for the 2023 Compliance Audit Cycle**

No.	Fund Recipient	Funding Strategy/Category
<b>Interest Revenue Funding Usage</b>		
	None for this Cycle	
<b>Measure A Strategy 1/Measure AA Category 4 Local Bus Transit System</b>		
1	Marin Transit	For all sales tax funds received for its FY2022-23 transit operation and capital needs
<b>Measure AA Category 1 Highway 101 &amp; Adjacent Roadways</b>		
2	HNTB	Professional consultant support for the Interchange Study
<b>Measure A Strategy 3.1/Measure AA Major Road Set Aside</b>		
3	City of Mill Valley	E. Blithedale Avenue Rehabilitation Project
<b>Measure A Strategy 3.2/Measure AA Category 2.1 Local Street and Road</b>		
4	Town of Fairfax	For the usage of the FY2022-23 or prior sales tax Local Roads funds
<b>Measure A Strategy 4.1/Measure AA Category 3.1 Safe Routes to School Program</b>		
	None for this Cycle	
<b>Measure A Strategy 4.2/Measure AA Category 3.2 Crossing Guard Program</b>		
	None for this Cycle	
<b>Measure A Strategy 4.3 Safe Pathways to School Project</b>		
5	Town of Tiburon	Large Capital Project: Del Mar Middle School Improvement Project
6	City of Larkspur	Small Capital Project: South Eliseo Drive Bicycle Lane and Splitter Island Project

**FISCAL CONSIDERATION**

Funding needed for this effort is included in the Proposed TAM FY2023-24 Annual Budget and staff expects the task will be finished on schedule and within budget.

**NEXT STEPS**

The list of proposed auditees will be presented to the TAM Board for acceptance at its June 22, 2023 meeting. Funding recipients selected for the 2023 Compliance Audit cycle will be notified once the Board approves the staff recommendation. Staff will also conduct a workshop in August/September to provide fund recipients the opportunity to fully understand the compliance audit requirements, process, and timeline. All compliance audit reports will be presented to the COC and the TAM Board for review and acceptance once they are finalized.

**ATTACHMENTS**

None