



*Regional Transit Authority*

October 31, 2024

Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

Correction Action Plan

Dear Sirs and Madams:

Please find the corrective action plan for **Findings and Questions Costs to the Financial Statements:**

**2023-001-** Material Weakness: Preparation of Schedule of Expenditures and Reconciliation of Grant Revenue

**Corrective Action:**

In 2023, RTA converted its financial system from JD Edwards, a 30-year system to Oracle Cloud Enterprise Resource Planning (ERP). The accounting team navigated between two systems during the fiscal year. The Accounting and Grants teams had to obtain financial information and reports and reconcile balances between the two systems. As a result of this massive undertaking with numerous transactions, the timeliness of our normal monthly and year-end procedures, which includes the preparation of the SEFA, was affected and led to needed adjustments at year end. We have since resumed our normal processes now that the team is not operating in two systems. Additionally- the RTA has hired a Grants Director and fully expects that this issue will be resolved going forward.

**2023-002** -Significant Deficiency: Internal Control Over Accrual Process for Accounts Payable

**Corrective Action:**

In 2023, RTA converted its financial system from JD Edwards, a 30-year system to Oracle Cloud Enterprise Resource Planning (ERP). The accounting team navigated between two systems during the fiscal year. The Accounting team had to obtain financial information and reports



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and reconcile balances between the two systems. As a result of this massive undertaking with numerous transactions, the timeliness of our normal monthly and year-end accrual procedures was affected and led to needed adjustments at year end. We have since resumed our normal closing process now that the team is not operating in two systems and fully expect that this issue has been resolved going forward.

**2023-003** -Significant Deficiency: Internal Control Over Self-Insurance Case Reserves and Structured Settlements

**Correction Action:**

The RTA will designate an employee to manage the third-party administrator and outside attorneys to accomplish both improved communications by and between all parties along with accurate quarterly reserve and structured settlement reporting and review of case reserves. As of July 2024, the RTA has hired a Chief Legal Officer to manage legal matters and associated processes. Additionally, Management will review outstanding claims report and matters in litigation on a quarterly basis to ensure these matters are being fiscally resolved.

**Findings Related to Compliance and Other Matters**

**2023-004** Timely submission of Audit Report to Legislative Auditor

**Correction Action:**

RTA's Oracle ERP system implementation concluded in 2023. As the staff has become more familiar with the system and is not conducting accounting functions in two different systems in 2024, we have resumed our normal monthly and year-end accounting close processes. We fully expect that this issue has been resolved and will not require an extension moving forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gizelle Johnson Banks".

Gizelle Johnson Banks  
Chief Financial Officer