

**GoTriangle  
Financial Process Analysis  
and Enhancement Services  
CAMPO Meeting**

October 2024

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# Overview & Approach

In partnership with GoTriangle Executive Leadership and the Budget & Finance (B&F) staff, Deloitte conducted a comprehensive assessment of GoTriangle's Budget & Finance function. Deloitte's comprehensive insights report is intended to provide recommendations and associated tools and resources to drive significant enhancements to GoTriangle's financial operations.

## Comprehensive Insights Report

- Identify and assess the challenges, organizational dynamics, and operating environment factors that have contributed to the GoTriangle Budget & Finance Department's current state
- Analyze alternative courses of action, conduct benchmarking and peer organization comparisons, and identify industry best practices to define enhancement opportunities
- Provide recommendations for people, process, and technology transformations to achieve desired improvements to GoTriangle's financial operations
- Strengthen stakeholder trust and confidence in GoTriangle through deliberate and transparent insight into transformation efforts



The recommendations that follow in this presentation represent the subset that the Deloitte team has identified as key to transforming GoTriangle's Budget & Finance Department. The full list of 30+ recommendations are outlined in greater detail with supporting documentation and actionable resources in the Comprehensive Insights Report.

# Our Approach

Throughout this project, Deloitte engaged with a diverse range of professionals, reviewed leading practices, and delved into multiple financial systems to gain an in-depth understanding of GoTriangle’s financial operations and develop recommendations.



Engaged with **13** Budget & Finance team members and reviewed **50+** materials provided



Received regular input from **7** **executive leaders** on draft outputs and progress updates



Conducted **peer reviews** and **benchmarking** against 10+ comparable organizations



Collaborated with **GoTriangle employees** across **3** different **departments** to understand data requirements, interdependencies, and map the **8** financial related systems



Connected with **11** **Subject-Matter Experts** in the areas of Transportation, Finance / Accounting, Grants Management, Workforce, Budget, and Human Capital



Reviewed **industry guidelines, standards, and best practices** from relevant authoritative organizations, such as the Government Finance Officers Association (GFOA) and American Public Transportation Association (APTA)

Over the course of 10 weeks, our team conducted over **a dozen interviews** and facilitated **13 working sessions** with the **Executive Leadership Team, Budget & Finance staff**, and **key internal stakeholders** from other GoTriangle departments who engage regularly with the Budget & Finance team.

# Vehicle Rental Tax After-Action Report

GoTriangle Leadership asked Deloitte to develop the Vehicle Rental Tax (VRT) After-Action Report to identify process and procedural deficiencies that contributed to the failure of VRT fund transfer for eight quarters and develop process enhancement recommendations to minimize the chances for this issue to occur again. Our team conducted interviews, reviewed documentation, and performed analysis to identify, define, and address the VRT transfer concerns.

### What We Heard

### Recommendations

- In interviews with the Senior Accountant and the Accounts Receivable lead, the following challenges were identified:
- GoTriangle did not transfer VRT revenue to county transit partners for ~2 years
  - The previous Manager of Finance and Accounting did not approve/submit the tax revenue transfer despite receiving quarterly transfer request reports from a B&F team member
  - Transfer failures were discovered after the previous CFO authorized the VRT transfer, and county transit partners noticed the anomalous nature of the transfer
  - The prior auditor flagged the non-transfer as a variance

- While responsible individuals were separated from GoTriangle, the fundamental issue remains within the organization:
1. Implement the VRT Controls Process to ensure accounting entries are being made properly and transfers to county transit partners are happening as required, with proper checks and balances, and oversight
  2. Implement requirements and controls around how cash is managed and transferred to ensure a single employee cannot delay or bypass these required transfers.
  3. Develop communications and engage with county transit partners to discuss the VRT transfer process and ensure they receive transfers as anticipated each quarter.

**Stringent requirements and controls regarding how cash is managed and specific controls at the transfer and distribution level must be instituted to ensure no one employee can delay or bypass these required transfers.**

# Tax District Administration Recommendations



GoTriangle leadership outlined a need to better understand and bifurcate GoTriangle’s unique Dual Mandate to act as both a Transit Authority and a Tax District Administrator, roles which have historically created significant complexities for effective financial management and stewardship.

**GoTriangle Tax District Administration:** *GoTriangle’s Special Tax District that manages funds for transit partners and supports transit plans across counties*  
**GoTriangle Transit Authority:** *A regional public transportation authority serving Wake, Durham, and Orange Counties under Article 26 of Chapter 160A of the General Statutes*

Source: [Tax Law Summaries \(1987-2022\)](#) - Pages 75 and 76

## Major Challenges (What We’ve Heard)

- ❖ **Budget Management:** Budget line items such as revenue sources and expenses overlap across Tax District Administration and Transit Authority, making it difficult to delineate between the two and budget accurately
- ❖ **Stakeholders and Reporting:** GoTriangle Tax District reports to and acts as a pass-through organization for Wake, Durham, and Orange Counties, making Tax District operations and financial reporting responsibilities unique and challenging, considering additional stakeholders such as MPOs and SWGs
- ❖ **Systems, Technology and Data:**
  - D365 Project Codes: Project IDs are not being utilized well and span only a single year making Capital Development reporting/tracking difficult
  - D365 Transit Plan Tracking: Transit Plan funding and other data is not properly separated from GoTriangle projects and is not being accounted for/tracked correctly in D365

## Similar Organizations (Transit Operator + Tax Administrator)

After analyzing 19 different regional transportation agencies, only Sound Transit and Santa Clara Valley Transportation Authority emerged as organizations that both levy taxes and act as a transportation authority.



**Sound Transit in Seattle, Washington:**  
Transit is partially funded by local sales taxes, car rental sales taxes, and motor vehicle excise taxes.  
- [SoundTransit 2024 Financial Plan & Adopted Budget](#)  
- [SoundTransit Funding Regional Transit](#)



**Santa Clara Valley Transportation Authority:**  
VTA is partially funded by a half-cent sales taxes and 1/8 cent sales tax for BART Operations.  
- [VTA 2020 ACFR](#)

**Based on what we heard, and the analysis of other organizations and their operations, GoTriangle’s operating environment is unique in that GoTriangle’s Special Tax District is closely tied to GoTriangle’s Transportation Authority and Transit Operations.**

# Tax District Administration: Recommendations Summary



The following recommendations outline how a delineated budgeting and reporting structure and an organizational re-alignment within GoTriangle could help delineate between Tax District and Transit Authority responsibilities, addressing some of GoTriangle’s Tax District Administration challenges.

Enhancement Recommendations	‘Project-Level’ Initiatives	Description	Associated Tools & Resources	Suggested Priority	Suggested Start	Anticipated Level of Effort
Create Delineation of the Tax District Administration Function	<b>Create Delineation of the Tax District Administration Function and Operations</b>	Clearly delineate Tax District Administration from GoTriangle Budget & Finance operations by developing separate budgets and associated reporting and identifying further opportunities to streamline operations.	<ul style="list-style-type: none"> <li>➤ <a href="#">Tax District Administration Structure Presentation Including Operations Overview, Comparative Organization Analysis, and Operating Environment</a></li> </ul>	High	Immediate	Medium
	<b>Define Tax District Administration Responsibilities and Associated Staffing Levels</b>	Separate the Tax District Administration from GoTriangle Transit Authority through an organizational restructure, establish a Tax District Administrator role to lead the Tax District Administration team and re-establish Tax District Administration team roles and responsibilities. The Tax District Administrator role should report directly to the CEO with a dotted line to the CFO.	<ul style="list-style-type: none"> <li>➤ <a href="#">Updated Budget &amp; Finance Organizational Structure</a></li> <li>➤ <a href="#">Tax District Administration Role Description</a></li> </ul>	High	Immediate	Medium

## Tactical Implementation Steps

1

### Separate and Streamline Operations

- Separate GoTriangle’s budget from the Transit Plan budget to create two distinct documents to ensure correct revenue and expense reporting and provide GoTriangle’s board with delineated budget reporting for the two entities
- Define Wake, Durham, and Orange Transit Plan line items separately in the Transit Plan budget and ensure the Transit Plan budget records tax revenue and an associated expense connected to GoTriangle projects for traceability
- Conduct a detailed review of Transit Plan Funds to determine if fund re-classification is possible under Governmental Accounting Standards Board (GASB) and other requirements to support Annual Comprehensive Financial Report (ACFR) reporting

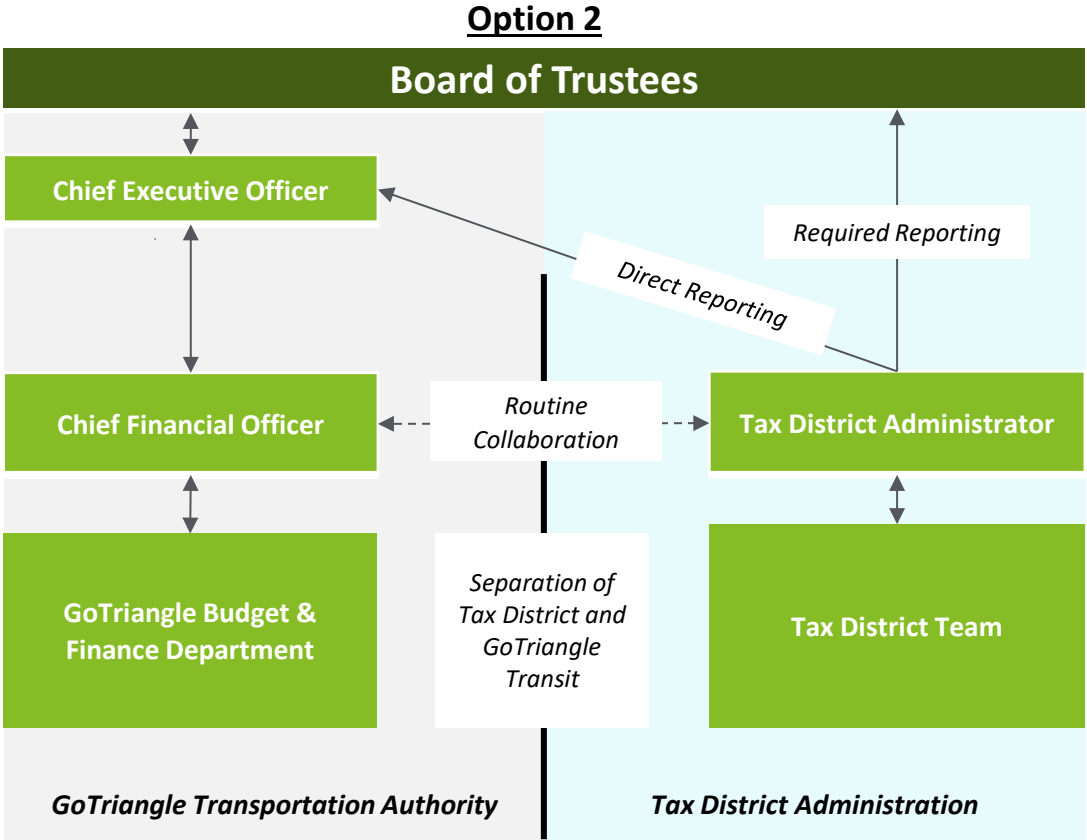
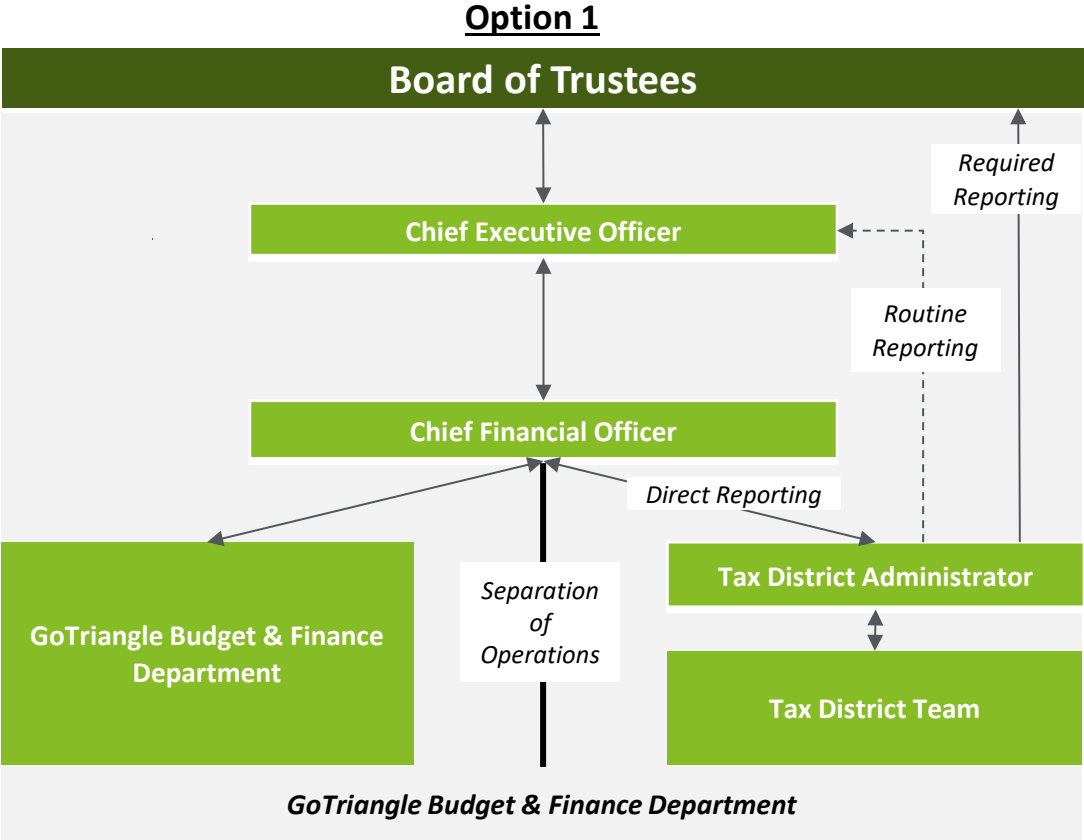
2

### Bifurcate the Workforce

- Separate the Tax District Administration from GoTriangle Transit Authority through a new organizational structure by choosing 1 of 2 re-structure options, that separates the Tax District from GoTriangle’s Budget & Finance Department or operations
- Recruit and hire a new Tax Administrator to lead the Tax Administration team, a role that reports directly to GoTriangle’s CEO and Board of Trustees
- Establish new roles and responsibilities for the Tax Administration team, leveraging guidance from the Tax District Administrator and needed skillsets

# Tax District Administration: Organizational Structure

The following graphic depicts how, in an ideal state scenario, the Tax District Administration could be separated from GoTriangle’s Transportation Authority through 2 potential organizational re-structure options. Based on research, interviews, and analysis, **we recommend GoTriangle pursue Option 2.**



Tax District Administration should be clearly separated from GoTriangle’s Transportation Authority across the organization, as shown in option 2, reporting directly to the CEO and Board of Trustees to promote accountability of funds between the District, GoTriangle, and Transit Partners.

# Recommended Reporting Enhancements

## Summarized / Executive Analysis

- Incorporate visualizations supported by analytical comments to help illustrate the magnitude of data points relative to one another along with showing other relationships not easily discernable through tabular reports
- Incorporate metrics so that users / readers of the report do not have to do calculations themselves to generate insights that help them to answer the questions that they care about

## Go Triangle / Transit Plans Delineation

- Incorporate changes resulting from the simplification of GoTriangle's fund structure and elimination of 1) GoTriangle operating division expenditure allocations to the Transit Plans and 2) Grand Totals (GoTriangle & Transit Plans together)
- Continue and expand Transit Plans separately briefing their financials to the Board

## GoTriangle Capital Project Reporting

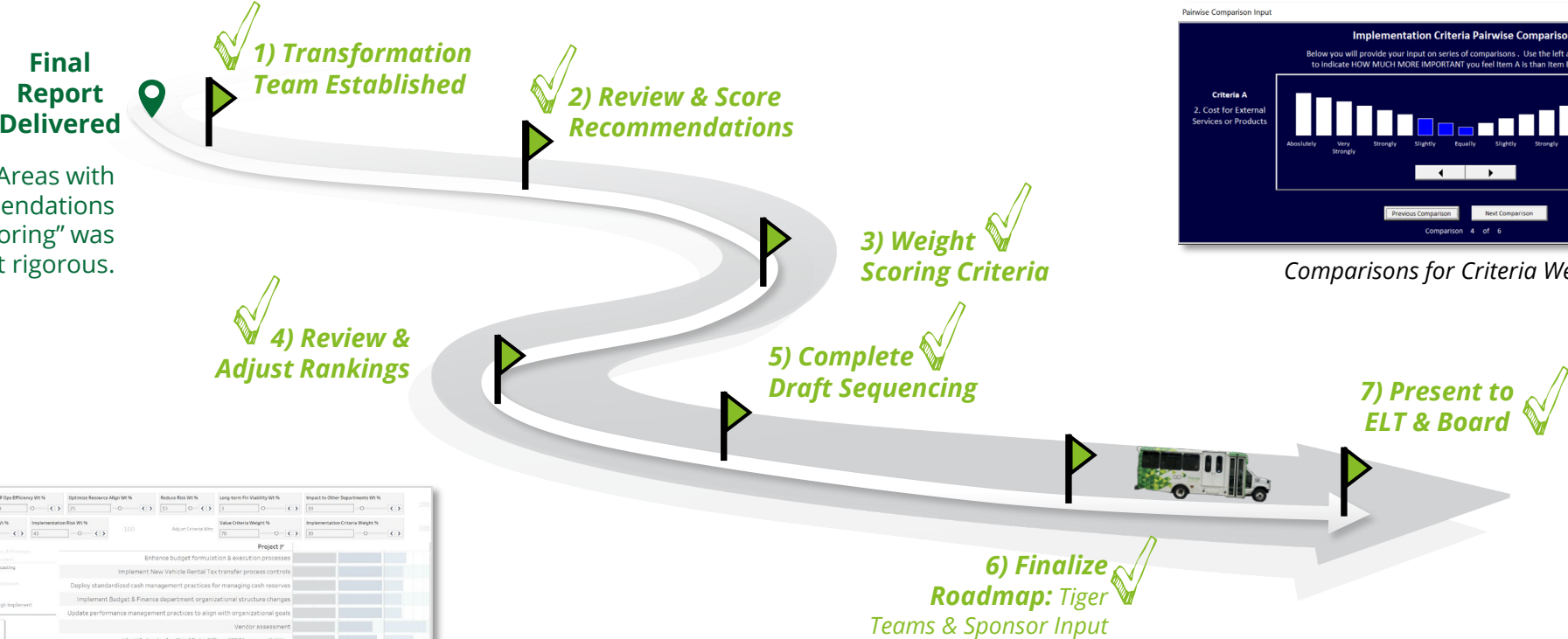
- Modify to support clearer reporting of GoTriangle managed Capital Projects vs Capital Projects with GoTriangle funding
- Consider adding new report content that tells a more complete Capital Projects story including these specifics

## Other Changes

- Eliminate any detailed reporting (particularly in the Budget publication) that is not mandated to report on and does provide other value in telling GoTriangle's story
- Consider Transit Plan financial publications and improve consistency with GoTriangle reporting where appropriate

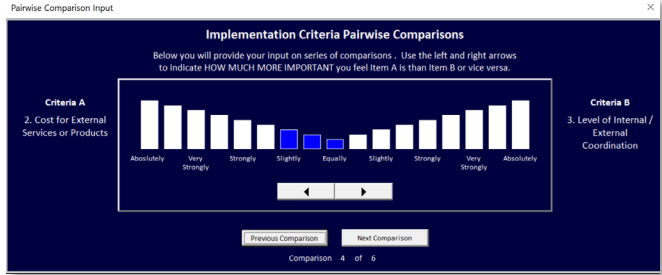
# Implementation Roadmap Overview and Next Steps

# Implementation Roadmap Development Journey

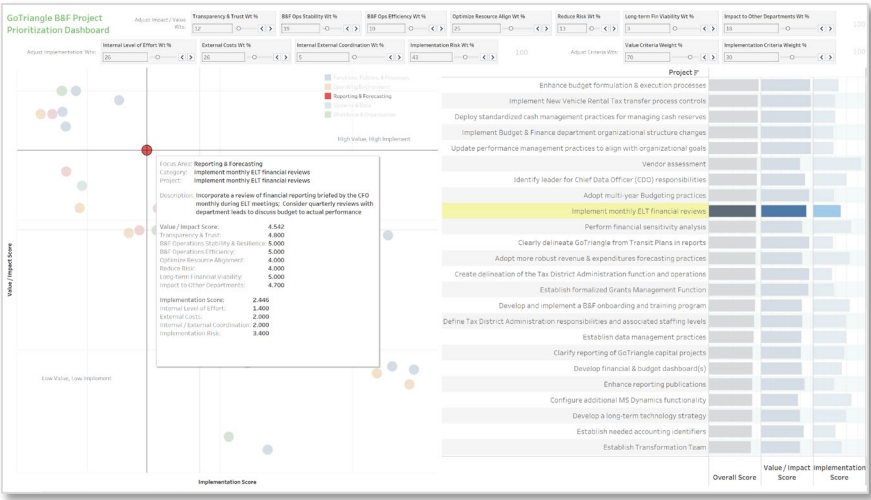


Final Report Delivered

Includes 5 Focus Areas with associated recommendations and although "scoring" was included, it was not rigorous.



Comparisons for Criteria Weighting








Dashboard for Reviewing Prioritization Results

The **Roadmap** provides GoTriangle with an actionable plan for the **Transformation Team** to follow as it continues the momentum generated by this project. As the CFO and CIO are onboarded and there is a better sense of available funding, the Roadmap will likely evolve and should be a **living document**.

# GoTriangle Budget & Finance Transformation Roadmap



	1 <sup>st</sup> 90 Days	Short (<6 Months)	Medium (6 – 12 months)	Long (12 months +)
<b>Systems &amp; Data</b> 	<ul style="list-style-type: none"> <li>Identify Leader for Chief Data Officer (CDO) Responsibilities</li> <li>Simplify Fund Structure</li> </ul>	<ul style="list-style-type: none"> <li>Establish Data Management Practices</li> <li>Establish Needed Accounting Identifiers</li> <li>Develop Long-term IT Strategy</li> <li>Build Internal IT Capacity</li> </ul>	<ul style="list-style-type: none"> <li>Configure Additional MS Dynamics (D365) Functionality</li> <li>Replace &amp; Consolidate HR &amp; Payroll Systems</li> </ul>	<ul style="list-style-type: none"> <li>Enhance Related Systems and Integrate with MS Dynamics (D365)</li> </ul>
<b>Reporting &amp; Forecasting</b> 	<ul style="list-style-type: none"> <li>Implement Monthly ELT &amp; Quarterly Board Financial Reviews</li> <li>Clarify GoTriangle Capital Projects Reporting</li> </ul>	<ul style="list-style-type: none"> <li>Separate GoTriangle and Transit Plans in Reports</li> <li>Develop Budget &amp; Finance Dashboards</li> <li>Develop Line of Business Reporting infused with Operations data</li> </ul>	<ul style="list-style-type: none"> <li>Restructure MS Dynamics Reporting</li> <li>Enhance B&amp;F Reporting Publications</li> <li>Adopt Robust Forecasting Practices</li> <li>Perform Financial Sensitivity Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Deploy self-service Reporting Capabilities</li> </ul>
<b>Operating Environment</b> 	<ul style="list-style-type: none"> <li>Define Tax District Administration Functions &amp; Staffing Levels</li> <li>Implement Change Management &amp; Communications</li> </ul>	<ul style="list-style-type: none"> <li>Create Delineation of Tax District Administration Function</li> </ul>	<ul style="list-style-type: none"> <li>Create Risk Management Program</li> <li>Conduct Analysis of Potential New Revenue Streams</li> </ul>	<ul style="list-style-type: none"> <li>Seek Opportunities to Increase Existing Revenue Streams</li> </ul>
<b>Functions &amp; Processes</b> 	<ul style="list-style-type: none"> <li>Implement New VRT Process Controls</li> <li>Stabilize Payroll Process</li> <li>Develop Cash Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>Deploy New Cash Management Practices</li> <li>Evaluate Payroll Outsourcing</li> </ul>	<ul style="list-style-type: none"> <li>Establish Grants Management Function</li> <li>Enhance Budgeting Practices</li> <li>Enhance Procurement Process</li> <li>Conduct Vendor Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Adopt Multi-Year Budgeting Practices</li> <li>Require Use of MS Dynamics in the Procurement Process</li> </ul>
<b>Workforce &amp; Org</b> 	<ul style="list-style-type: none"> <li>Establish Transformation Team</li> <li>Develop plan to increase financial &amp; analytical fluency within GoTriangle</li> <li>Implement initial Org Structure Changes</li> <li>Fill priority B&amp;F roles</li> </ul>	<ul style="list-style-type: none"> <li>Implement Budget &amp; Finance Training / Onboarding Program</li> <li>Implement further Budget &amp; Finance Org Structure Changes</li> </ul>	<ul style="list-style-type: none"> <li>Conduct Work Assessment and Fill Talent Gaps</li> </ul>	<ul style="list-style-type: none"> <li>Update &amp; Strengthen B&amp;F Roles Documentation</li> <li>Update Performance Management Practices</li> </ul>



As the Transformation Team developed the Transformation Roadmap, the group also began addressing the “immediate start” activities as well as “pre-work” tasks that will help facilitate execution of the Short-, Medium-, and Long-Term projects once those begin. The work completed during this 90-day period from August 28 – November 25, 2024 will create momentum and lay the foundation for continued progress in executing the roadmap.

## COMPLETED

- ✓ Established Transformation Team & held initial meeting
- ✓ Held orientation meeting for Transformation Team Transit Partner Liaisons
- ✓ Deployed and began using Transformation action & risk tracker
- ✓ Finalized Fund Structure changes to be implemented
- ✓ Initiated review of needed accounting identifiers
- ✓ Identified and initiated steps to stabilize the payroll process
- ✓ Identified priority Budget & Finance roles to fill immediately
- ✓ Reviewed existing reports to assess usefulness for ELT & Board
- ✓ Strengthened VRT process controls

## IN PROGRESS

- Implement new VRT Process Controls
- Identify Leader for Chief Data Officer (CDO) Responsibilities
- Define Tax District Administration Functions & Staffing Levels
- Implement Change Management & Communications
- Deploy new cash management practices
- Recruit for key B&F roles (i.e., Grants Manager and Procurement Director)
- Evaluate existing MS Dynamics reporting to identify enhancement opportunities

## TO START

- ❑ Implement Monthly ELT & Quarterly Board Financial Reviews
- ❑ Develop plan to increase financial & analytical fluency within GoTriangle
- ❑ Clarify GoTriangle Capital Projects
- ❑ Evaluate payroll outsourcing
- ❑ Initiate discussions with D365 vendor regarding potential configuration changes and associated costs
- ❑ Begin tracking enterprise-wide risks via risk register ahead of establishing a formal Risk Management program