

5 STEPS TO PREPARE FOR A DBE AUDIT

As the operator of a DBE (Disadvantaged Business Enterprise) program, you know that DOT (Department of Transportation) has the right to audit your program. Some agencies will receive the dreaded notice that their program is up for an audit, but crossing your fingers and hoping that your agency isn't one of the few that will be audited this year is not an effective strategy. You can take charge of your audit fate, and in the process reduce the stress and operational upheaval that comes with an audit, by following these 5 steps.

1 Stay up-to-date on the regulations. This may sound like a no-brainer, but CFR 49 Part 26 is the source for complying with all things DBE and will be the key document that an auditor will base any assessment of compliance and deficiencies of your DBE program. If you have not dusted off the regulations in a while, take a moment to bookmark the electronic version in your favorite browser. To take the sting out of being overwhelmed by the legalese of the regulations, make it a practice to read one of the six sub-parts of the regulations per month. Awareness of the regulations and its updates is the start to having a compliant organization. Ignorance in this instance is not bliss, so whether you are new to the DBE program or a seasoned pro, staying up-to-date on the regulations will help you when audit time is near.

2 Read DBE final reports. The final reports of DBE reviews conducted throughout the country are available for your review online (http://www.fta.dot.gov/civilrights/sitemap_14042.html) and offer a wealth of information to help you prepare for an audit. Reading these reports gives you insight into what aspects of the DBE program will be tested, as well as the strengths and weaknesses of the DBE compliance efforts of your peers. Use conclusions from the final reports

to convince management to invest in needed resources to strengthen your program or pick up tips for cost-effective ways to carry out your DBE duties.

3 Document program performance. This is not an “aha” tip for those in the know, but locating and pulling together the necessary files is half the stress of preparing for an audit. With documentation scattered across email accounts, paper files, proprietary software, attendance logs, etc., proving that your program is compliant can be a challenge if the audit paper trail does not exist or more often cannot be found. Below are some solutions to common scenarios:

- DBELO meeting with the CEO on an informal basis?
Solution: Send a follow-up email to the CEO confirming the contents of the meeting.
- DBELO gives a presentation on how to do business with the agency at the local chamber?
Solution: Save the agenda.
- Having trouble collecting contract info from the primes?
- Serving as the DBELO is one of ten thousand other things on your plate?
Solution: Make the necessary time to systematically document how your job is done, if not for an audit, then simply do it for the sake of the next person who will have to fill your shoes upon you leaving the company. In the end, your employer will be grateful to you for taking the initiative on this task.

4 Self-assess your program's performance. First-responders go through emergency drills to hone their skills and ferret out breakdowns in critical systems and you should do the same. Take a sample of your vendor files and review them to ensure that the required contract language on prompt payment, retainage, legal remedies and nondiscrimination are present not only in your contract with the prime, but in the

contracts between the prime and subs. Below are some solutions to common scenarios:

- Cannot find evidence of the contracts between prime and subs?

Solution: Apply pressure using accounting or even legal to get the documents required by the regulations.

- The DBE section of your website has not been updated in years?

- Don't have a DBE section on your website?

Solution: Work with your IT department to get the latest version of the program plan and goals posted.



Discuss and share. Whether you are a team of one or 20, it is to your benefit to talk to others to share best practices and ways to make your DBE program more efficient and compliant. Find some fun and creative ways to exchange experience and ideas. Below are some solutions to common scenarios:

- Hear of an agency that really has their act together?

Solution: Invite them to share their experiences at a lunch-and-learn event and invite other agencies in your area.

- Know of an expert that is outside your local area?

Solution: Host a webinar to reduce the cost factor.

- Want to impress upon upper management or other departments in your organization the importance of the DBE compliance to overall agency funding goals?

Solution: Invite your regional DOT officer or a third-party consultant to give a team presentation.

An audit or review of your agency's DBE program does not need to be cause for stress and alarm. Being proactive and creating a culture of compliance within your organization—combined with these simple tips—can go a long way in helping you ace your next DBE review.



Lorraine McCord is a certified internal auditor and consultant with Integrality Consulting in Dallas, Texas.



From left: H. Jerome Russell Jr., Donata Russell Major and Michael B. Russell attend the grand opening of Fly Burger Bar Boutique in April 2014, a new concession operation at Atlanta's Hartsfield Jackson International Airport. The new restaurant is owned by the Concessions International/H&H Hospitality JV and renowned Atlanta Master Chef Tom Catherall. (Courtesy of JGlenn Photography)

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mitment to really get in and learn the business."

As CEO, Major is optimistic about the future for CI and the direction the company is taking. "We will continue to focus on opportunities in key airports across the country, but we are also looking at non-traditional concession opportunities outside of the airport. We want to build upon our previous business experience to expand existing markets and to diversify the company," Major said.

It goes without saying that Major has enormous shoes to fill as she succeeds Russell, who is one of the most respected African-American entrepreneurs in the U.S. But Major has learned a great deal from her father, and is comfortable with her leadership role. She said: "In following someone like my father, I have learned that you don't try to be who they are, you have to do it your way – understanding that you are different people and you have to be who you are. I feel fortunate and blessed to have a father who despite his humble beginning and disability with a speech impediment, overcame the obstacles to become who he is today. I learned a lot from my father, things like: Deliver upon what you commit to; never do anything dishonest - we are very aware of trying to do the right thing all the time; always do your best; admit your mistakes; and he was always big on 'saving a penny,' meaning to put some money aside so you can take advantage of opportunities when they arise."

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