



January 22, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports

Overview

The Orange County Transportation Authority is required by the United States Office of Management and Budget Circular A-133 to obtain an independent auditor's opinion on its compliance with requirements of major federal programs. Crowe LLP, an independent accounting firm, has completed the required Single Audit Report and issued an unmodified, or "clean", opinion. In addition, Crowe LLP has issued reports on the results of agreed-upon procedures applied to assist management in determining compliance with certain other state, federal, and local requirements.

Recommendation

Receive and file the fiscal year 2023-24 Single Audit Report and agreed-upon procedures as information items.

Background

Pursuant to Section 28770 of the Public Utilities Code, the Orange County Transportation Authority (OCTA) prepares an annual set of financial statements presenting its results of operations and financial position at fiscal year-end. Crowe LLP (auditors) completed its annual audit of OCTA's financial statements and results were presented to the Board of Directors on November 27, 2023, along with the auditors' report on internal control over financial reporting.

In addition to the financial statement audits, the auditors are engaged to perform an audit as required by the Office of Management and Budget Circular A-133,

Audits of States, Local Governments, and Non-Profit Organizations, and to apply agreed-upon procedures related to the following:

- OCTA's Treasury and Investment function,
- Orange County Local Transportation Authority's Measure M2 (M2) Status Report,
- Federal Transit Administration standards for data reporting in the Federal Funding Allocations Statistics Form FFA-10 and National Transit Database Report, and
- Section 1.5 of Article XIII B of the California Constitution, with procedures specified by the League of California Cities in Article XIII B Appropriations Limitation Uniform Guidelines.

The engagements were performed under current accounting and auditing standards, including generally accepted auditing standards, and the standards set forth for audits in the Government Accountability Office's Government Auditing Standards.

Discussion

The following reports included findings resulting from agreed-upon procedures applied:

Results of procedures applied to the National Transit Database report identified minor discrepancies in Passenger Miles Traveled reported for both the Motor Bus - Directly Operated and Motor Bus - Purchased Transportation modes. Management responded that the variances were within acceptable precision ranges.

Results of procedures applied to the M2 Status Report noted an expenditure of \$24 with a service period in fiscal year (FY) 2022-23 that was reported in FY 2023-24 expenditures. The expenditure was within management's threshold of passed adjustments for FY 2023-24 and management response was not requested.

No additional findings or recommendations were made related to the agreed-upon procedures reports attached herewith.

Summary

The auditors have completed the required Single Audit Report of OCTA for the year ended June 30, 2024, as well as provided reports on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements.

Attachments

- A. Orange County Transportation Authority Single Audit Year ended June 30, 2024
- B. Orange County Transportation Authority Agreed-Upon Procedures Performed with Respect to the National Transit Database Report June 30, 2024
- C. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed-Upon Procedures with Respect to the Treasury Department Year ended June 30, 2024
- D. Orange County Local Transportation Authority Report on Agreed-Upon Procedures Applied to Measure M2 Status Report, Year Ended June 30, 2024
- E. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed Upon Procedures Related to Article XIII-B Appropriations Limit Calculation For the fiscal year ended June 30, 2024
- F. Orange County Local Transportation Authority Independent Accountant's Report on Applying Agreed Upon Procedures Related to Article XIII-B Appropriations Limit Calculation For the fiscal year ended June 30, 2024

Approved by:



Janet Sutter
Executive Director, Internal Audit
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