



September 13, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Communications by Independent Financial Statement Auditor

Overview

Vavrinek, Trine, Day & Company, LLP, the independent financial statement auditor of the Orange County Transportation Authority, is in the process of conducting the fiscal year 2016-17 audit. In connection with the audit, Vavrinek, Trine, Day & Company, LLP, is communicating the planned scope and timing of the audit, as well as soliciting input on any matters of which the Board of Directors or the Finance and Administration Committee has knowledge that may have a material bearing on the Orange County Transportation Authority's financial statements for the year ended June 30, 2017.

Recommendation

Receive and file as an information item.

Background

In connection with its annual audit of the Orange County Transportation Authority's (OCTA) financial statements for the fiscal year ended June 30, 2017, Vavrinek, Trine, Day & Company, LLP (VTD) is required to make certain inquiries and communications.

Discussion

VTD has prepared a letter (Attachment A) to the Finance and Administration Committee (Committee) and the Board of Directors (Board) of OCTA with the purpose of making certain inquiries and communications. Specifically, VTD has requested that the Committee and/or the Board inform VTD of any matters of which the Committee and/or the Board may be aware that could have a

significant impact to the financial statements of OCTA taken as a whole. OCTA staff has provided the auditors with information related to claims, liabilities, and contingencies; however, the auditors also welcome input from the Committee and the Board on any areas of concern.

Secondly, VTD is required to provide certain communications to those charged with governance with regard to audit scope and timing. Page two of Attachment A reflects VTD's plan to complete the audit and issue an opinion on the financial statements on approximately October 31, 2017.

Summary

OCTA's independent financial statement auditors are making certain inquiries and communications in relation to their audit of the financial statements of OCTA as of June 30, 2017.

Attachment

- A. Letter to the Finance and Administration Committee and Board of Directors, Orange County Transportation Authority, dated August 23, 2017, from Roger Alfaro, Partner, of Vavrinek, Trine, Day & Co., LLP

Prepared by:



Janet Sutter
Executive Director, Internal Audit
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