



**February 13, 2019**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer  
Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Audit Responsibilities of the Finance and Administration Committee

### **Overview**

The Finance and Administration Committee of the Board of Directors of the Orange County Transportation Authority serves as an audit committee in its oversight of audit activities. Annually, the Board of Directors approves the Audit Responsibilities of the Finance and Administration Committee to reaffirm the responsibilities of the Finance and Administration Committee with regard to audits.

### **Recommendation**

Approve the Audit Responsibilities of the Finance and Administration Committee as an information item.

### **Background**

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities. Internal Audit also coordinates and monitors the activities of external auditors, including the independent financial statement auditors. The Finance and Administration Committee (Committee) serves as OCTA's audit committee, having primary responsibility for the oversight of all audit activities.

### **Discussion**

The Committee receives and reviews the annual Internal Audit Plan (Plan), all audit reports and management responses, and quarterly updates to the Plan.

The Committee reviews the independently audited financial statements of OCTA and its related entities, as well as the external auditor's required communications, including the management letter.

The Board of Directors originally adopted the Audit Responsibilities of the Finance and Administration Committee to establish responsibilities of the Committee with regard to audit. The responsibilities include an annual affirmation of the roles and responsibilities of the Committee in fulfilling this role.

***Summary***

Audit responsibilities of the Committee include Committee review of OCTA's audited financial statements, oversight of its Internal Audit function, and communication with its external auditors. These responsibilities are presented for Committee approval.

***Attachment***

- A. Orange County Transportation Authority, Audit Responsibilities of the Finance and Administration Committee

**Prepared by:**



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