



AFFILIATED AGENCIES

*Orange County
Transit District*

*Local Transportation
Authority*

*Service Authority for
Freeway Emergencies*

*Consolidated Transportation
Service Agency*

*Congestion Management
Agency*

February 8, 2019

ALGA Peer Review Team Leader

Umesh Dalal, City Auditor
City of Denton, Auditor's Office
215 E. McKinney St.
Denton, TX 76201

ALGA Peer Review Team Member

Bob Smith, Assistant City Auditor
City of Dallas, Office of the City Auditor
1500 Marilla Street, Room 2FN
Dallas, TX 75201

Dear Mr. Dalal and Mr. Smith:

I have reviewed your report dated February 7, 2019, containing the results of your peer review of the Internal Audit Department (Department) of the Orange County Transportation Authority (OCTA), performed using guidelines established by the Association of Local Government Auditors (ALGA). We are pleased that you found that our internal quality control system was suitably designed and operating effectively during the audit period January 1, 2016 through December 31, 2018.

We appreciate the review team's recognition of areas in which the Department excels and suggestions to enhance compliance with Government Auditing Standards (GAGAS). Following is a summary of your suggestions and my planned actions to address these.

Recommendation 1: While workpapers evidence evaluation of internal controls, the required statement related to internal control, as required by Standard 7.19, was not included in audit reports.

The Department agrees and will update audit report templates to include additional verbiage to ensure compliance with Standard 7.19.

Recommendation 2: When performing non-audit services related to the annual Bus Base Inspections, provide documented communication to management as to the nature of the services provided.

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The Department agrees and will update the letter of agreement for this service to reflect additional disclosure as to the nature and limitations of the services to be provided.

The Department finds the ALGA Peer Review to be a very valuable and constructive process. We very much appreciate the time you took away from your own departments to review our operation. Thank you for the professional and thorough manner in which you conducted this work, and for the opportunity to share ideas that we can apply in our respective organizations.

Sincerely,



Janet E. Sutter, Executive Director
Internal Audit

Attachments

c: Mr. Michael Hennessey, Chairman, OCTA Finance and Administration Committee
Mr. Darrell Johnson, Chief Executive Officer
Ms. Lori Brooks Jaquess, ALGA Review Coordinator