



**February 26, 2020**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Interagency Fare Revenue Agreements, Internal Audit Report No. 20-505

### **Overview**

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of interagency fare revenue agreements with the Southern California Regional Rail Authority and the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency. Based on the audit, controls in place to ensure collection of revenues in accordance with these agreements are adequate and functioning.

### **Recommendation**

Receive and file Interagency Fare Revenue Agreements, Internal Audit Report No. 20-505, as an information item.

### **Background**

In an effort to improve integration and the free flow of transit riders, the Orange County Transportation Authority (OCTA) maintains cooperative agreements with other area transit agencies. These agreements allow riders to transfer from one system to another without purchasing an additional ticket. For bus-to-bus transfers, the agreements provide for the bus system that collected the fare to retain the fare, eliminating the need for billing between the agencies. For transfers of Metrolink or Amtrak riders to the OCTA bus system, OCTA maintains interagency fare revenue agreements with the Southern California Regional Rail Authority (SCRRA) and the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN). These interagency fare revenue agreements call for billing and collection of revenues from SCRRA and LOSSAN at established rates. During fiscal year 2018-19, OCTA collected \$448,095 from SCRRA for 332,154 transfers, and \$18,386 from LOSSAN for 13,494 transfers.

---

***Discussion***

When a Metrolink or Amtrak passenger boards a connecting OC Bus or iShuttle, the driver visually validates the rail pass and pushes a corresponding button in the GFI Farebox (identifying the passenger as a Metrolink or Amtrak rider, as applicable). The GFI Farebox data is uploaded nightly to a data warehouse, where it can be retrieved for purposes of preparing the invoice. For riders using OC Flex, the driver will visually validate the rail pass and will log the trip on a manually-prepared trip sheet. These trips are later summarized on a spreadsheet and forwarded to the Finance and Administration Division for invoicing.

Based on the audit, controls in place to ensure collection of revenues in accordance with interagency fare agreements are adequate and functioning.

***Summary***

The Internal Audit Department has completed an audit of interagency fare revenue agreements.

***Attachment***

A. Interagency Fare Revenue Agreements, Internal Audit Report No. 20-505

**Prepared by:**



Gabriel Tang  
Principal Internal Auditor, Internal Audit  
714-560-5746

**Approved by:**



Janet Sutter  
Executive Director, Internal Audit  
714-560-5591