



August 13, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Budget Development, Monitoring, and Reporting, Internal Audit Report 25-514

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of budget development, monitoring, and reporting. Based on the audit, controls are adequate and functioning.

Recommendation

Receive and file Budget Development, Monitoring, and Reporting Internal Audit Report No. 25-514, as an information item.

Background

Every year, the Orange County Transportation Authority prepares a budget that outlines funding sources and uses supporting all agency services and programs. The Financial Planning and Analysis staff, within the Finance and Administration (F&A) Division, is responsible for inputting budget assumptions, providing training and support to user departments, conducting meetings with project management and executive management, and addressing questions from Board of Directors (Boad) Members prior to holding a public hearing.

In conjunction with the budget, the Board approves a Personnel and Salary Resolution (PSR) that contains general policies regarding employment practices, benefits, compensation, and salary structure for administrative employees. A Position Control Policy establishes procedures for maintaining the Board-approved allocation of full-time and part-time administrative employees. The Human Resources Department is responsible for monitoring compliance with the Position Control Policy throughout the year.

In conjunction with approving the budget, the Board approves an annual Sole Source List developed by the Information Systems Department within the F&A Division. The Sole Source List contains details of software and hardware licensing and maintenance agreements that have been executed with providers on a sole source basis.

Quarterly, F&A staff prepare and submit budget status reports to the F&A Committee and Board.

Discussion

Budget staff have developed comprehensive and useful training and reference materials. The materials are made available on an intranet site accessible to all employees. Materials include links to live recordings of annual budget training, as well as training on navigating system dashboards and workspaces. Detailed guidelines covering various budget topics are also available and include step-by-step instructions for system input.

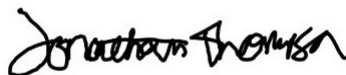
Summary

Internal Audit has completed an audit of budget development, monitoring, and reporting.

Attachment

- A. Budget Development, Monitoring, and Reporting, Internal Audit Report No. 25-514

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Approved by:



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