

**ORANGE COUNTY  
TRANSPORTATION AUTHORITY**

Single Audit Report on  
Federal Awards

Year Ended June 30, 2017

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

Single Audit Report on Federal Awards

Year Ended June 30, 2017

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS, THE TRANSPORTATION DEVELOPMENT ACT, CALIFORNIA  
CODE §8879.50, AND STATE SENATE BILL 88 (2007)**

Board of Directors  
Orange County Transportation Authority  
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements and have issued our report thereon dated October 31, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OCTA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OCTA's internal control. Accordingly, we do not express an opinion on the effectiveness of OCTA's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether OCTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Section 6667 of Title 21 of the California Code of Regulation, California Government Code §8879.50 and California State Senate Bill 88 (2007), et seq., noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Section 6667 of Title 21 of California Code of Regulations, California Government Code §8879.50 and California State Senate Bill 88 (2007), et seq.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Laguna Hills, California  
October 31, 2017



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Orange County Transportation Authority  
Orange, California

**Report on Compliance for Each Major Federal Program**

We have audited the Orange County Transportation Authority (OCTA)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of OCTA's major federal programs for the year ended June 30, 2017. OCTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of OCTA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about OCTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of OCTA's compliance.

***Opinion on Each Major Federal Program***

In our opinion, OCTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-001 and 2017-002. Our opinion on each major federal program is not modified with respect to this matter.

OCTA's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and separate corrective action plan. OCTA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Management of OCTA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered OCTA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of OCTA's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of OCTA, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements. We issued our report thereon dated October 31, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Laguna Hills, California  
December 22, 2017

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>Federal Grantor/Pass-Through Grantor Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grant/ Pass-Through Identification Number</b>	<b>Federal Expenditure</b>	<b>Passed Through to Subrecipients</b>
<b><u>U.S. Department of Interior</u></b>				
Direct grants:				
Office of Fish and Wildlife Service:				
Cooperative Endangered Species Conservation Fund	15.615	N/A	\$ 228,365	\$ -
Total U.S. Department of Interior			<u>228,365</u>	<u>-</u>
<b><u>U.S. Department of Transportation</u></b>				
Direct grants:				
Federal Transit Cluster:				
Federal Transit - Capital Improvement Grants	20.500	CA-04-0078	331,044	331,044
Federal Transit - Capital Improvement Grants	20.500	CA-05-0269	814,350	527,969
Federal Transit - Capital Improvement Grants	20.500	CA-55-0003	23,893	-
Total Federal Transit Capital Improvement Grants			<u>1,169,287</u>	<u>859,013</u>
Federal Transit - Formula Grants	20.507	CA-90-Y860	9,859,161	-
Federal Transit - Formula Grants	20.507	CA-90-Y942	33,033,580	(2,666)
Federal Transit - Formula Grants	20.507	CA-90-Z027	17,021,287	-
Federal Transit - Formula Grants	20.507	CA-90-Z174	108,994	-
Federal Transit - Formula Grants	20.507	CA-95-X131	182,935	-
Federal Transit - Formula Grants	20.507	CA-95-X180	353,753	-
Federal Transit - Formula Grants	20.507	CA-95-X188	13,457,443	-
Federal Transit - Formula Grants	20.507	CA-95-X195	178,645	-
Federal Transit - Formula Grants	20.507	CA-95-X210	2,244,631	-
Federal Transit - Formula Grants	20.507	CA-95-X213	1,919,403	-
Federal Transit - Formula Grants	20.507	CA-95-X242	5,087,093	-
Federal Transit - Formula Grants	20.507	CA-95-X254	867,124	-
Federal Transit - Formula Grants	20.507	CA-95-X262	(1,750,497)	-
Federal Transit - Formula Grants	20.507	CA-95-X286	1,970,127	-
Federal Transit - Formula Grants	20.507	CA-2016-032-00	1,838,397	1,838,397
Federal Transit - Formula Grants	20.507	CA-2016-116-00	44,678,097	-
Federal Transit - Formula Grants	20.507	CA-2017-072-00	5,763,463	-
Federal Transit - Formula Grants	20.507	N/A	24,529,415	-
Federal Transit - Formula Grants	20.507	N/A	587,386	-
Total Federal Transit Capital Formula Grants			<u>161,930,437</u>	<u>1,835,732</u>
State of Good Repair Grants Program	20.525	2016-096-00	2,825,622	-
State of Good Repair Grants Program	20.525	N/A	48,984	-
Total State of Good Repair Grants Program			<u>2,874,606</u>	<u>-</u>
Bus and Bus Facilities Formula Program	20.526	CA-2016-031-00	4,626,468	-
Bus and Bus Facilities Formula Program	20.526	N/A	2,614,107	-
Total Bus and Bus Facilities Formula Program			<u>7,240,575</u>	<u>-</u>
Total Federal Transit Cluster			<u>173,214,905</u>	<u>2,694,745</u>
Transit Services Program Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2016-151-00	4,011,574	-
Job Access and Reverse Commute Program	20.516	CA-37-X113	1,316,981	617,926
New Freedom Program	20.521	CA-57-X038	152,848	149,665
Total Transit Services Program Cluster			<u>5,481,403</u>	<u>767,591</u>

Continued on the next page

See Note to Schedule of Expenditures of Federal Awards.



**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017 (continued)**

<b>Federal Grantor/Pass-Through Grantor Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grant/ Pass-Through Identification Number</b>	<b>Federal Expenditure</b>	<b>Passed Through to Subrecipients</b>
<b><u>U.S. Department of Transportation (continued)</u></b>				
Passed Through California Department of Transportation:				
Highway Planning and Construction Cluster:				
Tustin Rose RSTP	20.205	STPL-6071-(061)	\$ (853,627)	\$ -
Sand Canyon Grade Separation RSTP	20.205	STPL-6071-(059)	243,532	-
I-5 from North I-405 to SR-55	20.205	STPLN-6071-(093)	1,947,055	-
SR-91, SR-57 to SR-55	20.205	STPLN-6071-(096)	1,257,442	-
I-5 Widening from Oso Creek to Alicia Pkwy, Seg. 2	20.205	STPLN-6071-(102) RSTP	1,757,751	-
I-5 Widening from SR-76 to Oso Pkwy, Seg. 1	20.205	STPLN-6071-(103) RSTP	2,167,863	-
I-5 Widening from Alicia Pkwy to El Toro Rd, Seg. 3	20.205	STPLN-6071-(104) RSTP	1,723,068	-
I-405, I-5 to SR-55	20.205	STPLN-6071-(105) RSTP	1,596,040	-
SR-57 Oranewood to Katella Ave	20.205	STPLN-6071-(118) RSTP	712,974	-
SR-55, I-5 TO SR-91 (119)	20.205	STPLN-6071-(119) RSTP	450,000	-
I-405 only	20.205	CMLN-6071(043)	3,315,502	-
Orangethorpe Grade Separation	20.205	CMLN-6071(060)	1,055,966	-
Lakeview Grade Separation	20.205	CMLN-6071(066)	2,970,020	-
I-5 from Ave Pico to South of Vista Hermosa	20.205	CMLN-6071(071)	45,908	-
I-5 from Vista Hermosa to PCH	20.205	CMLN-6071(072)	114,208	-
I-5 from PCH to San Juan Creek Road	20.205	CMLN-6071(073)	30,332	-
I-5 from SR-55 to SR-57	20.205	CMLN-6071(108)	756,181	-
I-5 from Orange/San Diego County line to Avenida Pico	20.205	CMLN-6071(112)	114,331	-
Total Highway Planning and Construction Cluster			<u>19,404,546</u>	<u>-</u>
Total U.S. Department of Transportation			<u>198,100,855</u>	<u>3,462,336</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Direct grants:				
Office of Security Operations:				
National Explosives Detection Canine Team Program	97.072	N/A	153,645	-
Passed Through State of California:				
Office of Emergency Services:				
Rail and Transit Security Grant Program (TSGP):				
Security and Emergency Mgmt Training (2014 TSGP)	97.075	N/A	126,755	-
Security and Emergency Mgmt Training (2015 TSGP)	97.075	N/A	157,215	-
Security and Emergency Mgmt Training (2016 TSGP)	97.075	N/A	30,955	-
Total Rail and Transit Security Grant Program			<u>314,925</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>468,570</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 198,797,789</b>	<b>\$ 3,462,336</b>

See Note to Schedule of Expenditures of Federal Awards.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS***

**A. Scope of Presentation**

The accompanying schedule presents only the expenditures incurred by OCTA that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by OCTA from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Because the Schedule presents only a selected portion of the operations of OCTA, it is not intended and does not present the financial position, change in net position, or cash flows of OCTA.

**B. Basis of Accounting**

Funds received under the various grant programs have been recorded within the general fund, special revenue, capital projects and enterprise funds of OCTA. OCTA utilizes the modified accrual method of accounting for governmental funds. The accrual basis of accounting is used for the enterprise funds. The accompanying Schedule of Expenditures of Federal Awards has been prepared accordingly.

**C. Relationship to Federal Reports**

Amounts reported in the accompanying Schedule of Expenditures to Federal Awards agree with the amounts reported in the related federal financial reports. However, certain timing differences may exist in the recognition of revenues and expenses/expenditures between the Schedule of Expenditures of Federal Awards and the federal financial reports.

**D. Indirect Cost Rate**

OCTA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**I. SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u>Yes</u>
Identification of major federal programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.500, 20.507, 20.525 and 20.526</u>	<u>Federal Transit Cluster</u>
<u>20.513, 20.516 and 20.521</u>	<u>Transit Services Program Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 3,000,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**II. FINANCIAL STATEMENT FINDINGS**

None reported.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

***Finding Number 2017-001***

***Program:*** Federal Transportation Cluster

***CFDA No.:*** 20.500, 20.507, 50.525, 20.526

***Federal Grantor:*** U.S. Department of Transportation (DOT)

***Passed-through:*** N/A

***Award No. and Year:*** CA-2016-116-00

***Compliance Requirements:*** Procurement and Suspension and Debarment

***Criteria:***

*Title 2 CFR Section 200.319(c)* of the *Uniform Guidance* requires the non-Federal entity must have written procedures for procurement transactions. The non-Federal entity must follow its procedures before entering into a covered transaction.

OCTA's Procurement Policies and Procedures section VI.7 includes a requirement that a public notice must be published in a newspaper of general circulation for two consecutive weeks prior to the bid closing date.

***Condition:***

In one of nine contracts tested, it was noted that OCTA did not issue a public notice before entering into a covered transaction.

***Questioned Costs:***

None noted.

***Context:***

OCTA provides open competition by publishing public notice in a newspaper of general circulation and posting the invitation for bids on their procurement system that notifies all registered vendors within the particular commodity. The condition noted above was identified during our procedures related to the procurement and suspension and debarment for the Federal Transportation Cluster.

***Effect:***

OCTA did not consistently follow its procedures before entering into a covered transaction.

***Cause:***

OCTA did not ensure all of its procedures were performed before entering into a covered transaction.

***Recommendation:***

We recommend that OCTA ensure that its procurement procedures are consistently performed and documented before entering into a covered transaction.

***Views of Responsible Officials and Planned Corrective Actions:***

OCTA concurs. Refer to separate Corrective Action Plan Report for management's response.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

*Finding Number 2017-002*

**Program:** Transit Services Program Cluster

**CFDA No.:** 20.513, 20.516, 20.521

**Federal Grantor:** U.S. Department of Transportation (DOT)

**Passed-through:** N/A

**Award No. and Year:** CA-37-X113

**Compliance Requirements:** Subrecipient Monitoring

**Criteria:**

*Title 2 CFR Section 200 of the Uniform Guidance* requires pass-through entities to determine whether an applicant for a subaward has provided a Dun and Bradstreet Data Universal Numbering System (DUNS) number as part of its subaward application or, if not, before the award (2 CFR section 25.110 and Appendix A to 2 CFR part 25).

**Condition:**

For two out of two subrecipients tested, it was noted OCTA did not obtain subrecipients' DUNS numbers as part of its subaward application or before the award.

**Questioned Costs:**

None noted.

**Context:**

The condition noted above was identified during our procedures related to the subrecipient monitoring for the Transit Services Program Cluster.

**Effect:**

OCTA did not obtain subrecipients' DUNS numbers as part of its subaward process.

**Cause:**

OCTA's policies and procedures did not ensure first tier subrecipient DUNS numbers were obtained as part of the subaward application or before the award.

**Recommendation:**

We recommend OCTA to update its policies and procedures to ensure subrecipient DUNS numbers are obtained as part of the subaward application or before the award.

**Views of Responsible Officials and Planned Corrective Actions:**

OCTA concurs. Refer to separate Corrective Action Plan Report for management's response.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017**

None reported.



**ORANGE COUNTY TRANSPORTATION AUTHORITY**

Corrective Action Plan

Year ended June 30, 2017

Compiled by: Pascal Saghbini, Section Manager II, General Accounting



**ORANGE COUNTY TRANSPORTATION AUTHORITY**

Corrective Action Plan

Year ended June 30, 2017

**I. FINANCIAL STATEMENT FINDINGS**

None Reported.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

Corrective Action Plan

Year ended June 30, 2017

**II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding Number 2017-001**

**Program:** Federal Transportation Cluster

**CFDA No.:** 20.500, 20.507, 50.525, 20.526

**Federal Grantor:** U.S. Department of Transportation (DOT)

**Passed-through:** N/A

**Award No. and Year:** CA-2016-116-00

**Compliance Requirements:** Procurement and Suspension and Debarment

**Management's or Department's Response:**

We concur.

**Views of Responsible Officials and Corrective Action:**

CAMM has implemented additional steps in the review process of each procurement file. For added quality assurance prior to release of each formal solicitation, management will review each procurement file to verify evidence of written correspondences between CAMM staff and the Orange County Register to ensure public notice requests have been received and confirmed to publish two consecutive weeks prior to solicitation closing date in accordance with procurement policies and procedures.

Name of Responsible Person: Virginia Abadessa, Director, Contracts Administration and Materials Management

Implementation Date: July 1, 2017

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

Corrective Action Plan

Year ended June 30, 2017

**Finding Number 2017-002**

**Program:** Transit Services Program Cluster

**CFDA No.:** 20.513, 20.516, 20.521

**Federal Grantor:** U.S. Department of Transportation (DOT)

**Passed-through:** N/A

**Award No. and Year:** CA-37-X113

**Compliance Requirements:** Subrecipient Monitoring

**Management's or Department's Response:**

We concur.

**Views of Responsible Officials and Corrective Action:**

OCTA staff will update its policies and procedures to ensure DUNS numbers are obtained as part of its subaward applications or before an award is made to a subrecipient. In addition, OCTA staff will ensure the subrecipients maintain an active System for Award Management (SAM) registration with current information.

Name of Responsible Person: Ric Teano, Section Manager III, Grant Compliance

Implementation Date: March 31, 2018