



STAFF REPORT

MEETING DATE:	December 13, 2016
SUBJECT:	Accept Fiscal Year 2015/16 Fiscal and Compliance Audit
AGENDA ITEM:	5-6
STAFF CONTACT:	Dave Wallace, Chief Fiscal Officer

STAFF RECOMMENDATION:

It is recommended that the board of directors accept the fiscal and compliance audit for the year ending June 30, 2016.

DISCUSSION:

Each year an independent auditor performs an audit of SRTA's financial statements and reports on the agency's compliance with applicable laws, rules and regulations. SRTA prepared a Comprehensive Annual Financial Report (CAFR), which represents the highest level of financial reporting for a government agency.

The Pun Group has completed their fiscal and compliance audit of the agency for the year ending June 30, 2016. SRTA received an unqualified audit opinion, meaning that SRTA's financial condition, position, and operations are:

1. In accordance with generally accepted accounting principles;
2. In compliance with statutory requirements and regulations; and
3. Supported by adequate documentation.

SRTA will be revising policies and procedures in response to the auditor's findings on SRTA's need to document vendor's compliance with federal debarment. In addition, SRTA will no longer accept vendor invoices by email to address a finding related to an invoice processed without management approval and missing account coding. Finally, the auditor is recommending that SRTA develop an information technology disaster recovery plan. The executive director has responded to, and is in agreement with, the auditor's findings and recommendations.

The auditor has met with the fiscal committee to discuss the audit as well as any findings and recommendations. The fiscal committee recommends acceptance of the audit.

ALTERNATIVES:

The board of directors may accept the audit report and recommendations with specific clarifications.

FINANCING:

Findings in the audit have no impact on agency finances.

A blue ink signature of Daniel S. Little, written in a cursive style.

Daniel S. Little, AICP, Executive Director

Attachment:

Audited Financial Statements and Supplementary Information Available Online at:

<http://www.srta.ca.gov/237/Fiscal-Reports>