

News Release



Controller of the State of California - Kathleen Connell

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FOR IMMEDIATE RELEASE

STATE CONTROLLER KATHLEEN CONNELL LAUNCHES AUDIT OF ORANGE COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Orange County Second In Series Of Statewide Transportation Audits

ORANGE COUNTY, December 5, 2000 – State Controller Kathleen Connell today launched the second in a series of Metropolitan Transportation Planning Agency audits. Her office will perform a financial audit of The Orange County Metropolitan Transportation Authority beginning today. On November 14, 2000 State Controller Connell began a similar audit of the Los Angeles Metropolitan Transportation Authority. That audit is now well underway.

“As auditors we are trained to follow the money. Taxpayer funding of transportation systems is now skyrocketing in California,” noted State Controller Connell. The Orange County Transportation Authority will receive \$239,500,000 in additional funding beginning this year.

The audits will focus on two primary areas: 1) verification that funding has been used in compliance with state and federal requirements, and 2) the impact of greatly increased state funding for transportation programs. It will determine whether funds received under the Transportation Development Act and other local and state monies have been properly accounted for and spent. Under California law, the State Controller has the authority to audit programs that spend state tax money.

“No conclusions should be drawn that because we are auditing we are suspicious of financial trouble or irregularity,” State Controller Connell points out. “In fact, I’m pleased to note that The O.C.T.A.’s revenues have exceeded expenses each of the past three years. And their debt has declined as well. That’s not the case at other transportation authorities.”

Orange County Transportation Authority buses carry more than 57 million passengers over an estimated 18 million miles. Its Motorist Services Program operates 1,400 call boxes, provides roadside service to stranded motorists, and oversees removal of abandoned vehicles. OCTA also partially funds the two Metrolink commuter rail lines through Orange County.

“We have a great working relationship with the State Controller’s Office and look forward to assisting them with a complete and timely review of O.C.T.A’s financial records,” said Jim Kenan, O.C.T.A. Director of Finance and Administration. “O.C.T.A. is extensively audited every three years by both state and federal auditors and annually through an independent audit conducted by the major accounting firm of Ernst And Young. We anticipate a very clean report.”

The Orange County and L.A. M.T.A. audits should be completed by spring, 2001. Audits of other transportation systems will follow.

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