



# BROWN ARMSTRONG

*Certified Public Accountants*

## **AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING (MANAGEMENT LETTER)**

To the Administrative and Finance Committee and Board of Directors  
Central Contra Costa Transit Authority  
Concord, California

### **BAKERSFIELD OFFICE**

**(MAIN OFFICE)**

4200 TRUXTUN AVENUE  
SUITE 300  
BAKERSFIELD, CA 93309  
TEL 661.324.4971  
FAX 661.324.4997  
EMAIL [info@bacpas.com](mailto:info@bacpas.com)

### **FRESNO OFFICE**

10 RIVER PARK PLACE  
EAST SUITE 208  
FRESNO, CA 93720  
TEL 559.476.3592

### **LAGUNA HILLS OFFICE**

23272 MILL CREEK DRIVE  
SUITE 255  
LAGUNA HILLS, CA 92653  
TEL 949.652.5422

### **STOCKTON OFFICE**

5250 CLAREMONT  
AVENUE  
SUITE 150  
STOCKTON, CA 95207  
TEL 209.451.4833

In planning and performing our audit of the financial statements of Central Contra Costa Transit Authority (the Authority), as of and for the fiscal year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we considered to be material weaknesses or significant deficiencies.

However, during our audit, we became aware of one matter that is an opportunity for strengthening internal controls and operating efficiency. The recommendation listed in this report summarizes our comment and suggestion regarding this matter.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Authority personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

**Current Year Conditions and Recommendations**

**Agreed Upon Condition 1**

During our Information Technology (IT) testing, we noted that one of the ten terminated employees tested did not have his information disabled until one day after the employee's termination. The delay was due to IT not receiving a timely email notification.

**Recommendation**

We recommend that human resources implement a checklist of procedures to be followed upon the termination of an employee. The checklist should include a notification to IT personnel the day the employee is terminated to ensure all system access is terminated in a timely manner.

**Management Response**

Management concurs with the finding. Human resources has a checklist and will submit information to IT more timely.

**Status of Prior Year Conditions and Recommendations**

None in prior year.

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This information is intended solely for the use of the Administrative and Finance Committee, Board of Directors, and management of the Authority and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 8, 2017