MEMO

DATE: March 1, 2007

TO: Administration Committee
Regional Council

FROM: Wayne Moore, CFO, 213-236-1804, moore@scag.ca.gov

SUBJECT: FY06 SINGLE AUDIT REPORT

BACKGROUND:
SCAG's independent auditors, Vasquez and Company, have issued their Single Audit opinion.

It is SCAG's responsibility to comply with the laws, regulations, contracts, and grants applicable to each of its major federal programs. Vasquez and Company audited SCAG's compliance with the requirements of the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of SCAG's major federal programs for the fiscal year ended June 30, 2006.

It is also SCAG's responsibility to establish and maintain effective internal control over compliance with requirements for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, and contract and grants applicable to federal programs. As required by OMB Circular A-133, Vasquez and Company audited SCAG's internal control over compliance with requirements that could have a direct and material effect on a major federal program,.

AUDIT OPINIONS:
Vasquez and Company have opined that SCAG complied, in all material respects, with the requirements of each of its federal programs for the year ended June 30, 2006. Vasquez and Company also reported that they found no matters involving the internal control over compliance and its operation that they considered material or reportable. Thus, there were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.

FISCAL IMPACT:
None. The cost of the Single Audit was included in the FY07 budget.

Reviewed by:

Division Manager

Reviewed by:

Department Director

Reviewed by:

Chief Financial Officer

SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS