

**REGIONAL TRANSIT AUTHORITY**

**MEMORANDUM OF ADVISORY COMMENTS**

**For the Year Ending December 31, 2020**



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June 30, 2021

To the Board of Commissioners  
Regional Transit Authority  
New Orleans, Louisiana

In planning and performing our audit of the financial statements of the Regional Transit Authority (the "RTA") as of and for the year ended December 31, 2020, in accordance with 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, we considered the RTA's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances 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 RTA's internal control. Accordingly, we do not express an opinion on the effectiveness of the RTA's internal control.

However, during our audit we became aware of a deficiency in internal control other than a significant deficiency and material weakness and a matter that has opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding this matter. This letter does not affect our report dated June 30, 2021, on the financial statements of the RTA.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various RTA personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of this matter or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, commissioners of the Board of Commissioners of the RTA, and others within the RTA, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

**REGIONAL TRANSIT AUTHORITY  
OBSERVATION, RECOMMENDATION, AND  
CORRECTIVE ACTION PLAN  
December 31, 2019**

**1. Timely Communication and Monitoring of Changes to the Self-Insurance Case Reserves and Structured Settlements**

Observation:

During the year ended December 31, 2020, RTA management did not properly monitor the self-insurance case reserves and structured settlement liabilities throughout the fiscal year to ensure the self-insurance case reserves and structured settlement liabilities were accurately stated at the estimated ultimate loss of settlement as of December 31, 2020.

Recommendation:

We recommend that RTA management monitor the changes to self-insurance case reserves and structured settlement liabilities provided by the third party administrator and outside attorneys, and review and record these changes to the financial statements on a quarterly basis. This will ensure the proper recording of changes to self-insurance case reserves and structured settlements.