

**Audit Recommendations Closed During
Second Quarter, Fiscal Year 2024-25**

ATTACHMENT C

| Audit Issue Date | Report Number | Division/ Department/ Agency | Audit Name | Recommendation | Internal Audit Status Comments |
|------------------|---------------|--|---|--|--|
| 11/14/23 | 24-502 | Operations Division and Finance and Administration | Cooperative Agreements with Regional Center of Orange County (RCOC) and My Day Counts (MDC) | Management should implement procedures to investigate and take action to address RCOC disputed trips and ensure timely submission and receipt of payments and related credit memos. Accounts Receivable (AR) staff should communicate with RCOC to obtain sufficient information to ensure payments are accurately recorded, remaining errors are corrected, and input a due date on invoices. AR staff should also establish a process to monitor and collect overdue balances. | <u>Update July 2024:</u> Management has improved billing procedures and invoice balances have been substantially cleared. Under a newly implemented process there will be no need for credits. Management implemented new procedures for collection; however, the procedures require improvement to include aging categories and outline and communicate responsibilities of project managers for follow-up. <u>Update November 2024:</u> The Accounting and Financial Reporting Department has updated procedures to include a requirement to notify the project manager to take actions for invoices in the >180 days and >1 year categories, along with examples of appropriate action. |
| 4/9/24 | 24-507 | Capital Programs Division | Interstate 405 Improvement Project: Design-Build Contract | Internal Audit recommends that management file stop payment and release notices, daily extra work reports, and supporting tickets, and other supporting documentation with the invoice payment records. Also, management should ensure meeting minutes with sign-in sheets are consistently filed in the project files. | <u>Update October 2024:</u> Management is including stop payment release notices, daily extra work reports, and supporting work tickets with the invoice payment records filed in the accounting system. Meeting minutes have been added to the project files. |