Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Internal Audit Status Comments
10/31/19	19-508	Capital Programs and Finance and Administration (F&A)	Oversight Controls and Contract Compliance Related to the Orange Transportation Center Parking Structure Project	The Internal Audit Department (Internal Audit) recommends that prime and sub-consultants be required to have an adequate labor timekeeping system. Management should remind consultants of the need to request amendments to add staff, labor rates, and other direct costs in a timely fashion.	Contracts Administration and Materials Management (CAMM) staff have added language to the Request for Proposal template that requires consultants to maintain an appropriate timekeeping system that identifies labor hours expended by project. Also, CAMM reminds consultants of the need to request amendments to add staff, labor rates, and other direct costs in a timely manner, at project kick-off meetings.
2/18/20	20-501	F&A	Patch Management Program (PMP)	The auditors offered one recommendation to expand the PMP to address all other operating systems hardware, software, and peripherals, and to incorporate all devices into the PMP. The auditors also offered four recommendations to further enhance the PMP by formalizing plans to address patch vulnerabilities, removing obsolete operating systems and software from the network, restricting users from installing unauthorized software, and developing test scripts to ensure system functionality after implementation of a patch.	Information Systems (IS) staff have expanded OCTA's PMP to include hardware and software originally not included in the PMP. Processes and plans have been updated to address patch vulnerabilities, remove obsolete systems and software from the network, and restrict users from installing unauthorized software. Finally, IS developed quality assurance documents to test mission critical systems after updates to ensure system functionality.
7/29/20	20-510	Capital Programs	Interstate 5 Project: State Route 55 to State Route 57	Internal Audit recommends that management add a step to review labor rate escalation in its invoice review checklist. Internal Audit also recommends that management require cost documentation for other direct costs (ODC) invoiced and request the consultant to bill all first-tier sub-consultants based on their contract rate schedules.	Management has added a labor escalation rate step to the invoice review checklist and recovered labor over-billings. Management has also stopped billing first-tier sub-consultants as second-tier sub-consultants or ODC. Management is now requiring cost documentation for all ODC other than vehicles.

ATTACHMENT C