

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2023-24 Internal Audit Plan
Second Quarter Update**

ATTACHMENT A

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Mandatory External Independent Audits							
Annual Financial Audits and Agreed-Upon Procedures (AUP) Reviews	FY24-001 through FY24-004	Develop and issue a request for proposals and scope of work for an independent audit firm to conduct audits of the Orange County Transportation Authority (OCTA) and related entities. Coordinate and report on annual financial and AUP reviews for fiscal year (FY) 2022-23.	Financial	470	194	277	
External Regulatory Audits	FY24-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	40	7	33	
Internal Audit Department Projects							
Risk Assessment and Annual Audit Plan	FY24-100	Preparation of the annual audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year, including monitoring the audit results of related entities.	Audit Plan and Updates	180	57	123	
Quality Assurance and Self-Assessment	FY24-101	Update of Internal Audit Policies & Procedures. Annual self-assessment of the Internal Audit Department's (Internal Audit) compliance with Generally Accepted Government Auditing Standards.	Quality Assurance	180		180	
Fraud Hotline Activities	FY24-102	Administrative duties related to maintenance of the OCTA Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	120	126	(6)	6 Reports Received
Automated Workpaper Solution	FY24-103	System updates/training related to automated workpaper solution.	Workpaper System	40	2	38	
Internal Audits							
Express Lanes Program							
Operations and Management	FY24-508	Assess and test selected oversight, contract compliance, and/or invoice review controls related to the provision of services by Cofiroute USA, LLP.	Operational/ Compliance	340	76	264	In Process
Security and Emergency Preparedness							
Transit Police Services	FY24-503	Assess and test selected oversight, contract compliance, performance reporting, and/or invoice review controls related to the agreement for provision of Transit Police Services.	Operational/ Compliance	280	297	(17)	Complete 12-5-23

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People and Community Engagement							
Life Insurance Benefits	FY23-505	Assess and test policies, procedures, and controls over administration of employee life insurance benefits.	Operational	26	12	14	Complete 8-7-23
Bus Advertising Revenue	FY23-516	Assess and test oversight and contract compliance controls related to the agreement for bus advertising.	Operational/ Compliance	120	149	(29)	Complete 8-31-23
Liability Claims Management	FY24-5XX	Assess and test controls related to administration and management of liability claims.	Operational	320		320	
Flexible Spending Accounts	FY24-XXX	Assess and test controls over the administration of employee flexible spending accounts.	Internal Control/ Compliance	200		200	
College Pass Program	FY24-506	Assess and test oversight, compliance, and performance of the College Pass Program.	Operational	220	242	(22)	In Process
Capital Programs							
Anaheim Canyon Station Improvements	FY23-515	Assess and test oversight controls, contract compliance, and invoice review controls related to the Anaheim Canyon Station Improvements Project.	Internal Control/ Compliance	80	93	(13)	Complete 8-31-23
OC 405 Partners	FY24-507	Assess and test oversight controls, contract compliance, and invoice review controls related to the OC 405 design-build project.	Internal Control/ Compliance	360	176	184	In Process
Operations							
OC ACCESS Service	FY24-XXX	Assess adequacy of oversight controls and test oversight, contract compliance, and invoice review controls related to the agreement with First Transit/TransDev for OC ACCESS transportation services.	Operational/ Compliance	320		320	
Regional Center of Orange County	FY24-502	Assess and test controls related to administration and operation of the agreements with Regional Center of Orange County and My Day Counts relating to transportation services.	Internal Control/ Operational	280	274	6	Complete 11-14-23
Vanpool	FY24-505	Assess and test controls and compliance related to the administration of the vanpool program.	Operational/ Compliance	180	201.5	(22)	In Process

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Finance and Administration							
Treasury	FY24-501	Semi-annual review of investments: compliance, controls, and reporting.	Compliance	250	204	46	1 Report Issued 9-11-23
Accounts Payable	FY23-504	Assess and test controls over accounts payable operations.	Operational	320	508	(188)	In Process
Revenue Agreements	FY24-5XX	Assess and test controls over identification, tracking, and reporting of external revenue agreements.	Operational	280		280	
Cybersecurity	FY23-509	Design a scope of work and procure an audit consultant to evaluate OCTA's Cybersecurity program.	Internal Control/Operational	8		8	Complete 5-31-23
OCTA Store Operations	FY24-504	Assess and test OCTA store operations to ensure adequate controls are in place to safeguard assets.	Internal Control/Operational	280	164	116	Complete 10-26-23
Price Reviews	PR24-5XX	As requested by the Contracts Administration and Materials Management (CAMM) Department, apply AUP to sole source, single bid, and architectural and engineering firm proposals.	Price Review	800	355	446	10 Reports Issued
Buy America	FY24-5XX	As requested by the CAMM Department, apply AUP to determine compliance with Buy America requirements.	Buy America	300		300	
Unscheduled Reviews and Special Requests							
Unscheduled Reviews and Special Requests	FY24-800	Time allowed for unplanned audits and requests from the Board of Directors (Board) or management.	Varies	200		200	

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Monitoring Activities							
Measure M2 Taxpayer Oversight Committee (TOC)	FY24-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	60	64	(4)	
Metrolink Audit Activities	FY24-602	Review/monitor audit results of Metrolink activities. Participate in selection of independent auditing firm.	Non-Audit Service	10	18	(8)	
Bus Base Inspections	FY24-603	At the request of the Operations Division, participate in annual base inspections.	Non-Audit Service	80	43	37	Complete
Capital Asset Inventory Observation	FY24-604	At the request of the Finance and Administration Department, observe and apply limited procedures related to the bi-annual capital asset inventory counts.	Non-Audit Service	60		60	
Follow-Up Reviews							
Follow-Up Reviews and Reporting	FY24-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-Up	280	244	37	
Total Audit Project Planned Hours (A)				6,684	3,505	3,180	

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Internal Audit Administration							
Board and Committee Meetings				180	69		
Executive Steering and Agenda Setting Meetings				170	54		
Internal Audit Staff Meetings				150	57		
Other Administration				1,500	764		
Total Hours (B)				8,684	4,448		
Department Target Efficiency (A/B)				75%	79%		
Target Efficiency - Professional Staff				80%	84%		

Contingency: Internal Audit

Project Controls	FY24-5XX	Assess the adequacy and effectiveness of internal controls over payment processing and project oversight exercised by the Project Controls section of Capital Programs.
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