

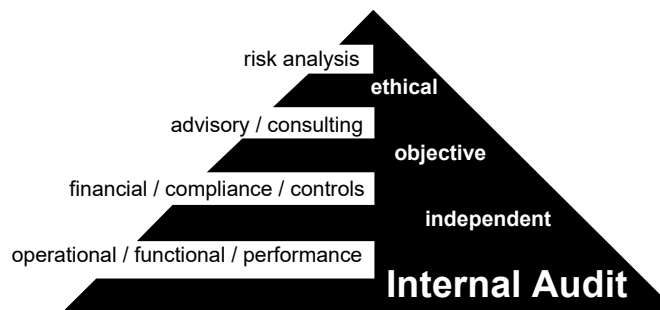
ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Same-Day Taxi Service

Internal Audit Report No. 26-503

November 17, 2026



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**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Same-Day Taxi Service
November 17, 2026**

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Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has completed an audit of Same-Day Taxi service. Based on the audit, program and contract oversight controls and invoice review controls are adequate and functioning, and Cabco Yellow, Inc., doing business as California Yellow Cab (Yellow Cab), is in compliance with agreement terms.

Background

Same-Day Taxi service was established in 2005 as a measure to manage the growth in demand and cost of OC ACCESS service. The service is provided throughout Orange County, inclusive of areas with no fixed-route service, with connections to California State University, Long Beach and the Long Beach Veterans Affairs campus.

Under the program, OCTA subsidizes up to five miles of a taxi trip for OC ACCESS-eligible customers. The customer pays \$3.60 for the first five miles, plus any additional costs above the five-mile trip. Hours of operation are from 6:00 a.m. to 8:00 p.m. daily.

OCTA entered into Agreement No. C-3-2396 (contract) with Yellow Cab for provision of all program services, including vehicles, drivers, and customer service. The contract term runs from December 1, 2023, through November 30, 2025, with two, one-year option terms. Under the contract, OCTA pays a subsidy rate for each approved trip, as well as a fee for no shows, cancelled trips, and trips requiring wheelchair accommodation. The contract maximum obligation is set at \$2,601,143.00. Trips are scheduled using OCTA's Trapeze system, which includes rider eligibility information, as well as the details of each trip performed.

Program oversight and monitoring is performed by staff within the Operations Division. Staff reviews driver credentials of all new drivers and drivers' licenses and permits of current drivers that are due to expire each month. Staff also reviews Department of Motor Vehicle information for each driver on an annual basis. In addition, staff performs quarterly reviews of contractor drug and alcohol program monitoring, vehicle maintenance, and training (e.g. wheelchair securement). Program management has developed and documented standard operating procedures for the monthly and quarterly monitoring reviews.

Financial Planning and Analysis (FP&A) staff prepares invoices using data from the Trapeze system. FP&A staff analyzes the data, runs validation checks, and calculates amounts due for trips provided. A draft invoice is prepared and sent to Yellow Cab for review and issuance. When invoices are received, they are reviewed and approved in accordance with policy.

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Objectives, Scope, and Methodology

The objectives were to test compliance with procurement requirements, as well as assess and test contract compliance, program oversight, and invoicing controls.

The methodology consisted of testing compliance with selected procurement policies and procedures, verifying insurance and maximum vehicle age and mileage requirements are met per the agreement, assessing, testing, and observing monitoring controls by program staff to ensure compliance with key contract requirements (e.g., drug and alcohol, new driver, road supervisor, and driver credentials, wheelchair securement, and vehicle maintenance), and assessing invoice review controls and testing invoices for compliance with policies and contract provisions.

The scope was limited to the contract with Yellow Cab for provision of program services, current evidence of insurance, vehicle age and mileage reports for September 2025, and selected monthly and quarterly monitoring reviews since contract inception. The scope also included observation of monitoring activities by program staff on August 14, 2025, and a haphazard sample of invoices from contract inception through September 2025. Since samples were nonstatistical, any conclusions are limited to the sample items tested.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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Audit Comment

Noteworthy Accomplishments

Program staff have developed, documented, and implemented standard operating procedures for monitoring Yellow Cab's compliance with contract requirements. Documentation of the reviews is maintained and indicates that timely and appropriate monitoring and follow-up is performed.