

**Orange County Transportation Authority
Internal Audit Department
FY 2016-17 Internal Audit Plan
Fourth Quarter Update**

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Status (Date Issued)	External Auditor
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Mandatory External Independent Audits

Annual Financial Audits and Agreed-Upon Procedures Reviews	FY17-001 through FY17-004	Coordinate and report on annual financial and agreed-upon procedures reviews for fiscal year 2016-17.	Financial	375	375	-	Complete	
External Regulatory Audits	FY17-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	60	41	19	Complete	

Internal Audit Department Projects

Risk Assessment and Annual Audit Plan	FY17-100	Annual preparation of the audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year.	Audit Plan and Updates	180	164	16	Complete	
Quality Assurance and Self-Assessment	FY17-101	Update of Internal Audit Policies & Procedures. Annual self assessment of the Internal Audit Department's (Internal Audit) compliance with Government Auditing Standards.	Quality Assurance	180	156	24	Complete	
Fraud Hotline Activities	FY17-102	Administrative duties related to the Fraud Hotline and investigations of reports of fraud, waste, or abuse.	Fraud Hotline	250	321	(71)	22 Reports Received	
Automated Workpaper Solution	FY17-103	Purchase, training, and implementation and updates to automated workpaper solution.	Workpaper System	280	169	111	Complete	
On-Call Audit Services	FY16-105	Prepare scopes of work and establish bench of independent audit firms to provide assistance with (1) performance audits and (2) application of agreed-upon procedures relating to price reviews and Buy America compliance reviews.	On-Call Audit Services	160	106	54	Complete	

Internal Audits

Security and Emergency Preparedness

Transit Police Services Contract	FY17-512	Review oversight controls and contract compliance with agreement for provision of Transit Police services.	Compliance	240	338	(98)	In Process	
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Human Resources and Organizational Development

Benefits: Health Insurance Plans and Health Savings Accounts	FY17-506	Review controls in place to ensure proper enrollment, accounting, and compliance with laws, regulations, policies, and procedures.	Operational	320	334	(14)	In Process	
Coach Operator Health Insurance Benefits	FY16-805	Review and test compliance with collective bargaining agreement for the coach operators as it relates to provision of health insurance benefits.	Compliance	300	349	(49)	Complete 3-22-17	
Storm Water Pollution Prevention Plan	FY17-505	Review oversight controls, policies, and procedures to ensure compliance with Environmental Protection Agency regulations.	Compliance	80	128	(48)	In Process	

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Capital Programs								
Project Controls	FY16-507	Assess and test operating controls of the project controls function within the Capital Projects Division.	Compliance	40	170	(130)	Issued 9-14-16	
Project K: Right-of-Way Acquisition Activities	FY17-5XX	Assess and test controls to ensure compliance with Real Property Department Policies and Procedures for acquisition of property rights related to the Interstate 405 Project K.	Compliance	225		225		
Planning								
Competitive Transportation Funding Program Projects	FY16-511	Review selected projects for compliance with Measure M Ordinance, policies, and procedures.	Compliance	60	77	(17)	Issued 10-12-16	
Transit Operations								
Fleetwatch Fluid Management System	FY17-5XX	Assess adequacy of system controls and data reporting related to dispensing of fuel.	Operational	240		240		
Contracted Fixed Route Operations	FY17-508	Assess adequacy of oversight controls and contract compliance with key provisions of the agreement with First Transit.	Compliance	325	394	(69)	In Process	
Finance and Accounting								
Treasury	FY17-501, FY17-510	Semi-annual review of investments compliance, controls, and reporting.	Compliance	210	284	(74)	Issued 10-12-16 and 4-26-17	
Grant Closeouts	FY16-512, FY17-511	As-needed financial and compliance audits of grants at closeout to ensure propriety of expenditures.	Compliance	40	50	(10)	Issued 9-14-16	
Budget Development and Monitoring	FY16-509	Review and test controls in place over the preparation, monitoring, and reporting related to the annual Orange County Transportation Authority (OCTA) budget.	Operational	325	335	(10)	Issued 3-8-17	
OCTA Policies and Procedures	FY17-507	Review controls in place to ensure proper development, update, and communication of OCTA policies and procedures.	Operational	185	262	(77)	Issued 3-22-17	
Investment Management Service Contracts	FY17-504	Review procurement of, contract compliance, and invoice controls related to investment management service contracts.	Compliance	185	266	(81)	Issued 4-26-17	
Information Systems								
Payment Card Industry/Data Security Standard (PCI/DSS) Compliance	FY17-502	Review of OCTA's compliance with PCI/DSS, including review and evaluation of annual self-assessment to ensure protection of credit card data.	Compliance	225	445	(220)	Issued 1-11-17	

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Contract Administration and Materials Management (Camm)								
Price Reviews	PR17-XXX	Cost and price analyses as requested by OCTA's CAMM Department.	Price Review	1,000	800	200	21 Reports Issued	
Buy America	FY16-513, FY17-503	Pre-award and post-delivery reviews to ensure vendors and OCTA are in compliance with federal Buy America requirements.	Compliance	250	97	153	2 Reports Issued 9-9-16 and 9-28-16	
External Affairs								
Customer Relations	FY16-508	Review in-house Customer Relations operation.	Operational	80	195	(115)	Issued 9-14-16	
Public Outreach - West County Connectors Project	FY17-509	Review of oversight controls and contract compliance related to agreement for public outreach.	Compliance	180	370	(190)	Issued 6-28-17	
Unscheduled Reviews and Special Requests								
Unscheduled Reviews and Special Requests	FY17-800	Time allowed for unplanned audits, coordination of external agency audits, and requests from the Board of Directors and management.	Varies	260	13	247		
Monitoring Activities								
Measure M Taxpayer Oversight Committee	FY17-601	Coordination of audit activities on behalf of the Audit Subcommittee of the Measure M Taxpayer Oversight Committee.	Administrative Support	100	35	65	Ongoing	
Metrolink Audit Activities	FY17-602	Obtain and review audit results of Metrolink activities	Non-Audit Service	60	65	(5)	Ongoing	
Bus Base Inspections	FY17-603	At the request of Transit Division, participate on annual bus base inspections.	Non-Audit Service	32	51	(19)	Complete	
Follow-up Reviews								
Follow-up Reviews and Reporting	FY15-7XX, FY17-7XX, FY16-802	Follow-up on outstanding audit recommendations.	Follow-up	300	537	(237)		
Total Audit Project Planned Hours (A)				6,747	6,925	(178)		

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Internal Audit Administration								
Board of Directors and Committee Meetings				260	159	101		
Executive Steering and Agenda Setting Meetings				180	171	10		
Internal Audit Staff Meetings				150	74	76		
Other Administration				1,500	1,559	(59)		
			Total Hours (B)	8,837	8,887	(50)		
			Department Target Efficiency	75%				
			Target Efficiency - Professional Staff	80%				