



March 22, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer
Janet Sutter, Executive Director
Internal Audit Department

Subject: Orange County Transportation Authority Policies and Procedures,
Internal Audit Report No. 17-507

Overview

The Internal Audit Department has completed an audit of Policies and Procedures. Based on the audit, the Orange County Transportation Authority Policies and Procedures are approved as required; however, recommendations were made to enhance controls to ensure timely updates and communications of new and revised policies and procedures, as well as improved tracking of policies and procedures.

Recommendation

Direct staff to implement three recommendations provided in Orange County Transportation Authority Policies and Procedures, Internal Audit Report No. 17-507.

Background

The General Services Department within the Finance and Administration Division is responsible for maintenance of all Orange County Transportation Authority (OCTA) policies and procedures. The Records Administrator, who is also designated as the Policies and Procedures Coordinator (PPC), is responsible for ensuring that policies follow guidelines and are reviewed, approved, and posted to the intranet. The PPC maintains a master listing of all policies and hard copy files with documentation evidencing review and approval.

The OCTA Policies and Procedures policy outlines the guidelines for the formatting, updating, communicating, and approving of all policies and procedures. These guidelines require policies to be reviewed and updated every two years. Policies must also be approved at the appropriate level. While some policies ultimately require Board of Directors (Board) approval, others may

require review by legal counsel, finance, external affairs, etc., depending on the content. Upon completion, policies are posted to the intranet.

Discussion

New and updated procedures are posted to the intranet; however, Internal Audit recommended management implement a more robust communications plan to ensure affected employees are notified. Management agreed and indicated that procedures have been updated to require an e-blast notification be sent to administrative employees each time a policy is created or updated. For employees located at the bases, notification will be provided via digital signage.

At the time of this audit, twenty four percent of all policies reflected effective dates over two years, despite a requirement to review and update policies on a bi-annual basis. Internal Audit recommended management implement procedures for notifying division managers and performing follow-up to ensure policies are updated as required. Management agreed and proposed procedures for notification and follow-up.

The master list of policies requiring Board approval is incomplete and contained inaccuracies with regard to the last revision date. Internal Audit recommended management implement controls to help ensure the accuracy and completeness of the master list of policies and procedures. Management agreed and outlined procedures for ensuring all policies are identified and tracked, including implementation of an automated system for creating, distributing, and managing policies.

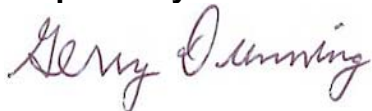
Summary

The Internal Audit Department has completed an audit of OCTA Policies and Procedures.

Attachment

- A. Orange County Transportation Authority, Policies and Procedures, Internal Audit Report No. 17-507

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