

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2017-18 Internal Audit Plan  
Third Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours to Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>	<b>External Auditor</b>
<b>Mandatory External Independent Audits</b>								
Annual Financial Audits and Agreed-Upon Procedures Reviews	FY18-001 through FY18-004	Coordinate and report on annual financial and agreed-upon procedures reviews for fiscal year 2017-18.	Financial	375	346	29	Complete	
External Regulatory Audits	FY18-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	60	45	15	Ongoing	
<b>Internal Audit Department Projects</b>								
Risk Assessment and Annual Audit Plan	FY18-100	Annual preparation of the audit plan, quarterly updates to the audit plan, periodic assessment of risk throughout the year, including the monitoring of audit results of related entities.	Audit Plan and Updates	200	55	145		
Information Systems Risk Assessment	FY18-104	Engage a firm to conduct an information systems risk assessment for the Orange County Transportation Authority (OCTA) environment. Review should include identification and evaluation of threats, vulnerabilities and safety characteristics of the OCTA information technology environment.	Audit Plan and Updates	120	34	86	In Process	
Quality Assurance and Self-Assessment	FY18-101	Update of Internal Audit Policies & Procedures. Annual self assessment of the Internal Audit Department's compliance with Government Auditing Standards.	Quality Control	160	163	(3)	Complete February 2018	
Fraud Hotline Activities	FY18-102	Administrative duties related to maintenance of the Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	320	257	63	25 Reports Received	1 Report Issued 12-26-17
Automated Workpaper Solution	FY18-103	System updates/training related to automated workpaper solution.	Workpaper System	80	41	39	Ongoing	
<b>Internal Audits</b>								
<b>Clerk of the Board</b>								
Public Meetings / Brown Act Compliance	FY18-508	Assess systems and controls in place to ensure compliance with the Brown Act.	Compliance	160	222	(62)	In Process	
<b>Security and Emergency Preparedness</b>								
Transit Police Services Contract	FY17-512	Review oversight controls and contract compliance with agreement for provision of Transit Police services.	Compliance	80	110	(30)	Complete 8-31-17	
<b>Human Resources and Organizational Development</b>								
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	100	278	(178)	Complete 10-19-17	
Storm Water Pollution Prevention Plan	FY17-505	Review oversight controls, policies, and procedures to ensure compliance with Environmental Protection Agency regulations.	Compliance	32	18	14	Complete 8-23-17	

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<b>Capital Programs</b>								
Interstate 405 (I-405) Improvement Project: Project Management Contract	FY18-505	Assess and test contract compliance and oversight controls of project management services provided for the I-405 Improvement Project.	Compliance	300	320	(20)	In Process	
Interstate 5 (I-5) Improvements: Pacific Coast Highway (PCH) to San Juan Creek (SJC) Road	FY18-512	Assess adequacy of contract compliance, oversight, and reporting controls related to the I-5 Improvement Project between PCH and SJC Road.	Internal Control	300	-	300		
Project K: Right-of-Way Acquisition Activities	FY18-502	Assess and test compliance with reporting requirements related to acquisition of property rights for the I-405 Project K.	Compliance	240	195	45	Complete 9-27-17	
Metrolink Cooperative Agreement for Control Point: 4th Street - Santa Ana	FY18-504	Review and testing of compliance with the cooperative agreement with Metrolink for design and construction of a control point at 4th Street in the City of Santa Ana and a new power turnout to the Union Pacific Railroad spur track.	Compliance	240	416	(176)	Complete 3-6-18	
<b>Planning</b>								
Comprehensive Transportation Funding Programs Projects	FY18-5XX	Review selected projects for compliance with Measure M Ordinance, policies, and procedures.	Compliance	240	-	240		
<b>Transit Operations</b>								
Contracted Fixed Route Operations	FY17-508	Assess adequacy of oversight controls and contract compliance with key provisions of the agreement with First Transit.	Internal Control/ Compliance	80	84	(4)	Complete 8-30-17	
Fleetwatch Fluid Management System	FY18-506	Assess adequacy of system controls and data reporting related to dispensing of fuel.	Operational	240	412	(172)	In Process	
ACCESS Service	FY18-5XX	Review and test compliance with key contract provisions, with consideration of program effectiveness and efficiency.	Internal Control/ Compliance	320	-	320		
<b>Finance and Accounting</b>								
Treasury	FY18-501	Semi-annual review of investments, compliance, controls, and reporting.	Compliance	200	278	(78)	2 Reports Issued 8-30-17	
Grant Closeouts	FY17-511	As-needed financial and compliance audits of grants at closeout to ensure propriety of expenditures.	Compliance	40	32	8	2-1-18 Complete 8-4-17	

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<b>Contract Administration and Materials Management (Camm)</b>								
Price Reviews	PR18-XXX	Cost and price analyses as requested by OCTA's CAMM Department.	Agreed Upon Procedures	1,000	591	409	17 Reports Issued	
Buy America	FY18-507	Pre-award and post-delivery reviews to ensure vendors and OCTA are in compliance with federal Buy America requirements.	Compliance	280	130	151	Complete 12-7-17	
Warranty Administration	FY18-510	Assess adequacy of controls in place for tracking and recording of warranty repairs and credits.	Internal Control	240	5	235		
Purchasing Cards	FY18-503	Assess and test controls over purchasing cards.	Internal Control	240	497	(257)	Complete 1-15-18	
<b>Unscheduled Reviews and Special Requests</b>								
Unscheduled Reviews and Special Requests	FY18-8XX	Time allowed for unplanned audits, coordination of external agency audits, and requests from the Board of Directors and management.	Varies	320	10	310		
<b>Monitoring Activities</b>								
Measure M Taxpayer Oversight Committee (TOC)	FY18-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Non-Audit Activities	80	28	52	Ongoing	
Metrolink Audit Activities	FY18-602	Obtain and review audit results of Metrolink activities.	Non-Audit Activities	40	29	11	Ongoing	
Bus Base Inspections	FY18-603	At the request of the Transit Division, participation on annual base inspection teams.	Non-Audit Activities	32	64	(32)	Complete	
Capital Asset Inventory Observation	FY18-604	At the request of the Finance and Administration Division, observe and apply limited procedures related to the bi-annual capital asset inventory counts.	Non-Audit Activities	80	-	80	As Requested	
<b>Follow-up Reviews</b>								
Follow-up Reviews and Reporting	FY17-7XX, FY18-7XX	Follow-up on audit findings and recommendations.	Follow-up	320	313	7		
<b>Total Audit Project Planned Hours (A)</b>				<b>6,519</b>	<b>4,971</b>	<b>1,548</b>		

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<b>Internal Audit Administration</b>								
Board of Directors and Committee Meetings				260	122	138		
Executive Steering and Agenda Setting Meetings				180	118	63		
Internal Audit Staff Meetings				150	65	86		
Other Administration				1,500	1,031	469		
<b>Total Hours (B)</b>				<b>8,609</b>	<b>6,306</b>	<b>2,303</b>		
<b>Department Target Efficiency</b>				75%				
<b>Target Efficiency - Professional Staff</b>				80%				