



**June 26, 2019**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Construction Safety Program, Internal Audit Report No.19-506

### **Overview**

The Internal Audit Department has completed an audit of the Orange County Transportation Authority Construction Safety Program. Based on the audit, the Construction Safety Program could be improved by enhancing policies and procedures, developing a training program for applicable project management staff, refining the process for identifying applicable contractors, and formalizing the process for documenting safety activities and reporting.

### **Recommendation**

Direct staff to implement two recommendations provided in Construction Safety Program, Internal Audit Report No. 19-506.

### **Background**

The Construction Safety (CS) Section consists of two staff within the Health, Safety, and Environmental Compliance Department, under the Human Resources and Organizational Development Division. The CS Section is responsible for the design and implementation of an effective CS Program (Program).

CS staff have developed a CS Management Policy (Policy) to provide a standardized approach for managing contractor safety compliance on Orange County Transportation Authority properties and projects. The Policy describes the roles and responsibilities of Contracts Administration and Materials Management (CAMP) staff, project managers, CS staff, and individual contractors.

To identify contracts that should include safety specifications as part of the written agreement, CS staff have assigned safety specification levels (1, 2, and 3) by the type of service to be provided. CAMM staff use the assignment listing to identify when to include safety specifications in a proposed contract.

### ***Discussion***

The Policy assigns significant responsibilities to individual contract managers without providing comprehensive materials and training to these individuals. Also, the process for identifying contracts requiring safety specifications unnecessarily identifies low-risk contractors and vendors. In addition, there is no process in place to centrally identify and track applicable high-risk construction contractors to ensure proper monitoring and reporting. The Internal Audit Department (Internal Audit) recommended that CS management further develop policies, procedures, and guidelines to provide a comprehensive risk-based framework for monitoring contractor compliance with construction safety regulations. Management agreed and indicated that safety specifications levels would be further evaluated and revised to streamline requirements, and procedures would be implemented to ensure safety reporting by applicable contractors. Also, management agreed to implement safety-related training for project managers with contractor oversight responsibilities.

Evidence of oversight activities, such as performance of safety observations, review of contractor safety submittals and resumes, and attendance at safety meetings is not formally maintained. In addition, there is no process in place to formally track and document follow-up of observed safety issues. Internal Audit recommended management develop procedures for documenting and tracking safety activities. Management agreed and indicated that a tracking tool will be developed and implemented.

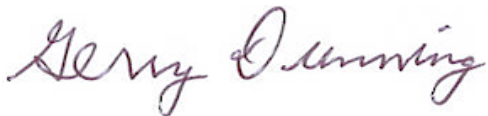
### ***Summary***

Internal Audit has completed an audit of the Program and offered two recommendations for improvement.

***Attachment***

A. Construction Safety Program, Internal Audit Report No. 19-506

**Prepared by:**

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