

**Audit Recommendations Closed During
Fourth Quarter, Fiscal Year 2018-19**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Management Response
10/10/18	18-514	Operations Division (Operations) and Finance and Administration (F&A)	ACCESS Service	Internal Audit recommends that management consider a policy update that requires Board of Directors (Board) approval for amendments that obligate Orange County Transportation Authority (OCTA) to additional costs exceeding \$250,000, even when the increase can be accommodated within the contract maximum. Internal Audit also recommends that staff ensure the validity of consultant assumptions before relying on them to derive cost estimates. Finally, the justification and responsibility for selecting between various cost estimates should be documented and approved.	Management to consider a policy change to require Board approval for amendments where individual tasks may increase beyond \$250,000. Regarding the recommendation for staff to ensure the validity of consultant assumptions before relying on them to derive cost estimates, management agrees to comply. Lastly, management agrees that the justification and responsibility for selecting between various cost estimates should be documented and approved in writing by the project manager. Update June 2019: Changes to operational and management contracts that obligate OCTA to additional costs, without changing the contract maximum, will be reported to the Board in the quarterly procurement status reports as regular items.
10/10/18	18-514	Operations	ACCESS Service	Internal Audit recommends that staff consistently perform monthly monitoring of preventative maintenance inspections (PMI).	Management agrees with the finding and will perform consistent inspections of preventive maintenance records to ensure compliance with all regulatory agencies and contract requirements. Update June 2019: Newly-drafted procedures state that reviews of PMI records will be conducted on a monthly basis. Management consistently performed the PMI reviews during the follow up period.
10/10/18	18-514	F&A	ACCESS Service	Internal Audit recommends that management review performance bonds at contract inception to ensure that the bonds meet the contract requirements. When amendments to increase the contract amount are executed, management should ensure that the bonds are increased accordingly.	CAMM has recently implemented services from a third-party vendor, Insurance Tracking Services, Inc. (ITS), to review bond and insurance documentation for compliance to ensure contract requirements are met. CAMM management will review the bond amount in the ITS system following amendment execution to ensure accuracy of the bond requirements, as well as the bond amount provided. Update June 2019: As of follow up review, the performance bond provided by the contractor meets the contract requirement.
10/10/18	18-514	Operations	ACCESS Service	Internal Audit recommends that management instruct MV Transportation, Inc. (MV) to correct the calculation of percentage of calls answered within five minutes. Further, management should increase oversight of the performance standard by periodically validating the data and the calculation.	Management will correct the calculation of percentage of calls answered within five minutes. In addition, management will enhance procedures for monitoring the calculation of percentage of calls answered within five minutes. Update June 2019: The flaw in the calculation has been removed, with requests for Same Day Taxi (SDT) trips going to the new SDT contractor instead of MV. Management has implemented a review process of performance standards, including the call center standards, for five randomly selected days; however, there is no documentation retained for these reviews. The recommendation will be closed; however, Internal Audit verbally recommended that management retain documentation of its review of performance standards.