

**Outstanding Audit Recommendations**  
**Audit Reports Issued through March 31, 2021**

<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response and Status</b>	<b>Internal Audit Status</b>
10/12/20	21-501	Human Resources and Organizational Development (HROD)	Employee Separations	The Internal Audit Department (Internal Audit) recommended that the employee off-boarding process be improved and streamlined, with resumption of suspended efforts to automate the employee exit processing form.	Apr-21	Management responded that they would work with other departments to resume efforts to convert the employee exit processing form into an electronic form.	Initiated
10/12/20	21-501	HROD	Employee Separations	Internal Audit recommended that stale account reviews be performed quarterly to ensure that accounts associated with separated employees have been disabled or deleted.	Apr-21	Management agreed to perform these reviews timely, and also noted that they are working to make the process more efficient.	Initiated
10/12/20	21-501	HROD	Employee Separations	Internal Audit recommended that invitations to participate in employee exit surveys be documented and that a procedure be developed to analyze and communicate exit survey results to management.	Apr-21	Management agreed, noting that written procedures will be developed to cover the employee exit survey process and communication of the results.	Initiated
10/21/20	20-507	Finance and Administration (F&A)	Audit of Banking Services and Agreement with Bank of the West (BoFW)	Internal Audit recommended that management develop procedures to document the monthly and annual review processes for the BoFW statements and fees.	Apr-21	Management agreed and stated they would develop a procedure to document the monthly and annual review processes, and include evidence of any investigations conducted.	
10/21/20	20-507	F&A	Audit of Banking Services and Agreement with BoFW	Internal Audit recommended that management implement a procedure to ensure timely updates to the BoFW signature card and explore options to further enhance the control environment related to cash withdrawals by authorized personnel.	Apr-21	Management agreed and indicated they would develop a procedure to ensure timely update of the BoFW signature card, and would work with BoFW to implement tools to further enhance controls over cash withdrawals, if available.	
2/11/21	21-503	Capital Programs and F&A	OC Streetcar Project Management	Internal Audit recommends that management reconcile the differences between the contract and policy requirements for establishing labor rates of staff being moved from labor classifications to named personnel. Additionally, controls should be developed to ensure compliance with these requirements.	Aug-21	CAMM will amend the language in the appropriate contract templates to ensure consistency with the policy, and make this change to affected agreements as they come up for amendments. Capital Programs will implement additional controls to ensure labor rate escalations for staff being moved from labor classifications to named personnel complies with both contract and policy requirements. Project manager's written approval of labor rates will now include the approved classification billing rate, obtained from the contract classification spreadsheet, as part of the justification memo for individuals added to the contract.	

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11/16/2020	Not Applicable	F&A	Fiscal Year 2019-20 Management Letter	In connection with the audit of OCTA's financial statements, Crowe LLP issued a management letter identifying five control deficiencies related to accounting for contingencies, accounting for capital assets, classification of non-recurring revenue, accounts payable accruals, and review of the Service Organization Control report related to worker's compensation.	Nov-21	Management agreed with the recommendations and indicated that corrective actions will be taken.	
1/13/21	20-512	Planning	Comprehensive Transportation Funding Program (CTFP): Oversight and Reporting Controls	Internal Audit recommends management re-evaluate Project V requirements and amend guidelines, cooperative agreements, and monitoring controls to ensure consistency and proper oversight.	Jul-21	Management agreed to amend Project V Guidelines to ensure that requirements in the guidelines are aligned with the type of community-based circulator services that have proven to be successful. Further, staff will amend the cooperative agreements to be consistent with the updated requirements. Staff will also include applicable customer satisfaction and on-time performance elements in the required regular reports, in order to oversee this requirement and confirm compliance.	
2/11/21	21-503	Capital Programs	Oversight Controls and Contract Compliance: OC Streetcar Project Management Consultant	Internal Audit recommends management recover identified double-billings of \$5,857.	Aug-21	Management agreed and indicated that \$5,857 would be deducted from the consultant's current invoice.	
2/11/21	21-503	F&A and Capital Programs	Oversight Controls and Contract Compliance: OC Streetcar Project Management Consultant	Internal Audit recommends that management reconcile differences between the contract and procurement policy requirements for establishing labor rates of staff being moved from labor classifications to named personnel. Additionally, controls should be developed to ensure compliance with these requirements.	Aug-21	Management agreed and indicated they will amend language in the appropriate templates, to ensure consistency with policy. Additionally, clarifying changes will be made to the affected agreements as they come up for amendments. In addition, project manager written approval will be required when proposed labor rates of staff being moved to named personnel exceed the contract escalation. Project managers will also implement additional controls to ensure labor rates of staff being moved to name personnel comply with contract and policy requirements.	

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3/24/21	Not Applicable	F&A and Operations	Measure M2 Agreed Upon Procedures: Selected Agencies	In connection with the Local Fair Share program, auditors made observations of ineligible maintenance of effort expenditures, misreporting of direct or indirect costs, misreporting of expenditures, and a funded project not reflected in the city's Seven-Year Capital Improvement Program plan. Senior Mobility Program audits include observations relating to late submission of a monthly report, third-party contracting, misreporting of expenditures, failure to allocate interest, and overcharge of administrative costs.	Mar-21	City management responded to the observations and OCTA staff will monitor implementation of corrective actions proposed.	