

**Audit Recommendations Closed During
First Quarter, Fiscal Year 2021-22**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Internal Audit Status Comments
2/11/2021	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.	Project Controls management collected the double-billed costs by deducting \$5,857 from a consultant invoice that was processed in February 2021.
2/11/2021	21-503	Finance and Administration (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.	The Contracts Administration and Materials Management Department amended the contract to remove the clause that conflicted with the procurement policy and Capital Programs instructed project managers to include the approved classification billing rate of consultant staff added to the contract as part of the justification memo.
10/12/2020	21-501	Human Resources and Organizational Development (HROD)	Employee Separations	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.	Management has implemented an electronic employee exit form that requires digital signoffs, and has developed enhanced procedures for involuntarily separated employees.
4/28/21	21-509	F&A	Investments: Compliance, Controls, and Reporting, July 1, 2020 through December 1, 2020	Internal Audit recommended that Treasury incorporate suggested assertions into monthly debt and investment reports.	Management updated the March and June 2021 monthly reports to include assertions of compliance with the Investment Policy and confirmation of the ability to meet expenditure requirements for the next six months.
	Not Applicable	Operations and Planning	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.	Management has performed follow-up with the cities to confirm corrective action and obtained updated Expenditure Reports, as applicable.