



Orange County Transportation Authority

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Title: Oversight Controls and Contract Compliance Related to the OC Streetcar Design and Construction Management, Internal Audit Report No. 22-505

Sponsors: Serena Ng, Janet Sutter

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8/8/2022	1	Board	approved and passed	Pass
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Oversight Controls and Contract Compliance Related to the OC Streetcar Design and Construction Management, Internal Audit Report No. 22-505

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of oversight, procurement, invoice, and project reporting controls and compliance with policies, procedures, and contracts related to the design and construction management of the OC Streetcar project. The initial scope of the audit included the OC Streetcar construction contract; however, this was excluded at legal counsel direction, and consistent with government auditing standards that require consideration of interference with ongoing legal proceedings. Based on the audit, procurements were handled in compliance with procedures, required status meetings with the Federal Transit Administration are conducted, and quarterly project reports to the Board of Directors are provided. However, recommendations have been made to reconsider the use of a Schedule of Values in firm-fixed price contracts to recover identified overbillings by consultants, to resume preparation of internal project status reports on a monthly basis, and to enhance controls over contract amendments and monitoring of consultant insurance requirements.

Recommendation

Direct staff to implement five recommendations provided in Oversight Controls and Contract Compliance Related to the OC Streetcar Design and Construction Management, Internal Audit Report No. 22-505.