



File #: 17-704, **Version:** 1

Contracted Fixed-Route Operations, Internal Audit Report No. 17-508

The Internal Audit Department has completed an audit of contracted fixed-route operations provided by First Transit, Inc. The audit found that, in April 2016, Transit Division management changed the threshold used to measure on time performance for both contracted and directly-operated fixed-route bus service. This change, which resulted in more favorable performance results, was not disclosed to the Board of Directors. In addition, penalties for failure to meet preventative maintenance standards and missed trips have been waived without adequate justification and documentation. Calculation errors in contract amendments and weaknesses in monitoring and enforcement of other contract requirements were also observed.

Direct staff to implement six recommendations provided in Contracted Fixed-Route Operations, Internal Audit Report No. 17-508.