



Orange County Transportation Authority

Legislation Text

File #: 18-1340, **Version:** 1

Interstate 405 Improvement Project: Project Management Contracts, Internal Audit Report No. 18-505

The Internal Audit Department has completed an audit of oversight controls and contract compliance related to the project management contracts for the Interstate 405 Improvement Project. Based on the audit, billed labor rates complied with the contracts; however, there is excessive use of labor classifications and a lack of controls over labor rate increases for personnel billed within these classifications. There were also concerns related to oversight of consultant staff time.

Consultants were procured in compliance with policy and contract amendments were approved as required; however, amendments have been back-dated outside the limits outlined in procedures. Finally, while cost estimates are submitted to support amendments to increase the contract maximum obligation, management does not validate all of the listed labor rates to payroll registers.

Direct staff to implement four recommendations provided in Interstate 405 Improvement Project: Project Management Contracts, Internal Audit Report No. 18-505.