



April 16, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Cooperative Agreements with Special Services Agencies for Provision of OC ACCESS-Eligible Transportation, Internal Audit Report No. 26-509

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of contract compliance and invoice review controls related to cooperative agreements with special services agencies for provision of alternative OC ACCESS-eligible transportation services. Based on the audit, controls are adequate. The Internal Audit Department identified areas of noteworthy accomplishment.

Recommendation

Receive and file Cooperative Agreements with Special Services Agencies for Provision of OC ACCESS-Eligible Transportation, Internal Audit Report No. 26-509, as an information item.

Background

To reduce OC ACCESS (ACCESS) service costs, the Orange County Transportation Authority (OCTA) maintains cooperative agreements (agreements) with five special services agencies (agencies) that provide transportation to and from their facilities to ACCESS-eligible individuals. Under the agreements, OCTA pays a \$25 per-trip subsidy for provision of ACCESS-eligible trips, with an annual specified maximum obligation and annual increases to the per-trip subsidy based on the Consumer Price Index.

The Specialized Transit Services (STS) Department within the Operations Division is responsible for oversight and monitoring of these agreements. To

meet these obligations, STS has developed standard operating procedures to validate invoiced trips by the participating agencies. Monthly, the STS senior business unit analyst (BUA) obtains and analyzes trip-level data to confirm participant eligibility and to run a series of validation checks to ensure trips comply with program requirements. The STS BUA then provides the list of eligible trips back to the agency for use in submitting the invoice. The STS department manager reviews and approves invoices and the Accounts Payable Department issues checks for reimbursement.

To monitor compliance with contractual requirements, the STS senior field administrator conducts annual site visits at each agency to assess compliance with key contract requirements. Results of the site visits are documented using a standardized monitoring checklist, and any deficiencies are noted and corrective actions tracked.

Discussion

The Internal Audit Department concluded that contract compliance and invoice review controls are adequate and functioning and identified management practices deemed noteworthy, as follows:

STS has developed and implemented standard operating procedures and utilizes system checks to confirm participant eligibility and validate monthly trip data provided by the agencies.

STS also conducts annual site visits at each agency to confirm evidence of compliance with key contract requirements, such as insurance requirements, vehicle maintenance, driver training, drug and alcohol program administration, etc. Results of the reviews are documented using a standardized checklist.

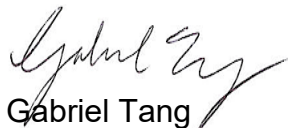
Summary

The Internal Audit Department has completed an audit of contract compliance and invoice review controls related to cooperative agreements with special services agencies for provision of alternative OC ACCESS-eligible transportation.

Attachment

- A. Cooperative Agreements with Special Services Agencies for Provision of OC ACCESS-Eligible Transportation, Internal Audit Report No. 26-509

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