

**Audit Recommendations Closed During
Third Quarter, Fiscal Year 2025-26**

ATTACHMENT C

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Internal Audit Status Comments
5/29/24	24-511	People and Community Engagement (PACE)	Flexible Spending Account (FSA) Program	Management should implement a process for regular tracking of custodial account contributions, distributions, and running account balance and ensure the balance is updated for purposes of financial reporting.	Management has implemented a process for regular tracking of custodial account contributions, distributions, and running account balance, and has begun reporting the FSA account balance to accounting for purposes of financial reporting.
2/3/25	24-508	Express Lanes Programs	Agreement No. C-9-1177 with Cofiroute USA, LLC for 91 Express Lanes Operations	Management should enhance oversight to ensure the vendor is held accountable to contract requirements and develop policy and procedures to address the parameters and authorization thresholds for waiving liquidated damages.	Management has implemented procedures to obtain evidence of deliverables prior to approving invoices and has finalized a penalty waiver policy effective January 1, 2026.
2/3/25	24-508	Express Lanes Programs	Agreement No. C-9-1177 with Cofiroute USA, LLC for 91 Express Lanes Operations	Management should strengthen enforcement of contract requirements related to performance measures and reporting. Management should also develop a policy and procedures to address parameters and authorization levels for waiving penalties.	Management has implemented procedures to obtain Corrective Action Plans and is correctly applying performance penalties. Management also finalized a penalty waiver policy effective January 1, 2026.
7/22/25	25-512	PACE	Oversight and Contract Compliance Related to Public Outreach Activities for the OC Streetcar Project	Management should train project managers (PM) on preparation of cost estimates and monthly monitoring of contract burn rate. Contracts Administration and Materials Management (CAMP) staff should enforce requirements to develop an independent cost estimate (ICE).	Management is now utilizing, and CAMP is enforcing, requirements to complete ICE forms, and has implemented procedures to monitor contract burn rates.
7/22/25	25-512	PACE	Oversight and Contract Compliance Related to Public Outreach Activities for the OC Streetcar Project	Management should strengthen invoice review procedures to ensure compliance with contract terms and to ensure amendments to add personnel are timely processed.	Management has implemented a revised invoice review checklist to include verification of billed personnel.
7/22/25	25-512	PACE	Oversight and Contract Compliance Related to Public Outreach Activities for the OC Streetcar Project	Management should ensure required deliverables are obtained and outreach activities are evaluated. PMs should be reminded of their contract management responsibilities.	Management has implemented procedures to ensure contract deliverables are included in invoice packages by incorporating contract deliverables into a revised invoice review checklist.