



**April 16, 2026**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

Two handwritten signatures in blue ink are present. The first signature, positioned above the name Darrell E. Johnson, is a cursive signature that appears to read "Darrell Johnson". The second signature, positioned to the right of the name Janet Sutter, is a cursive signature that appears to read "Janet Sutter".

**Subject:** Contractor Safety Management Program, Internal Audit Report No. 26-506

### **Overview**

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of the Contractor Safety Management Program. Based on the audit, the program could be improved by revising policy and safety specifications to better align with expectations, developing methods to ensure applicable project managers are identified and aware of their responsibilities, providing timely training and/or instructions to project managers, and formalizing the process for documenting safety activities and reporting within the Origami system.

### **Recommendation**

Direct staff to implement two recommendations provided in Contractor Safety Management Program, Internal Audit Report No. 26-506.

### **Background**

The Contractor Safety function is managed by staff in the Orange County Transportation Authority's (OCTA) Health, Safety and Environmental Compliance (HSEC) Department, within the People and Community Engagement Division. HSEC staff monitor the development, investigation, and evaluation of work to ensure safe design, operation, and working conditions at agency construction sites and bus operations locations. The development of health, safety, and environmental specifications to be included in contracts as appropriate is the responsibility of HSEC. HSEC provides the Contracts Administration and Materials Management (CAMM) Department staff with three

versions of safety specifications, and a guide to which specifications should be included within consultant contracts based on the commodity code of the service to be provided. The specifications range from Levels 1, 2 and 3, with Level 3 being the highest.

OCTA has adopted a Contractor Safety Management Policy (Policy). The purpose of this Policy is to establish the minimum health, safety, and environmental requirements for all OCTA consultants, contractors, and vendors and to identify assignments and responsibilities for safety monitoring and compliance.

If HSEC personnel identify instances of non-compliance by contractors, the violations will be brought to the attention of the applicable project manager (PM). Major violations are recorded and tracked using the Origami system.

### ***Discussion***

The Policy outlines significant responsibilities assigned to PMs for ensuring contractors comply with health, safety, and environmental compliance requirements outlined in their respective agreements; however, training is only offered to PMs assigned contracts with Level 3 specifications and the method for identifying applicable PMs is not effective. The Internal Audit Department (Internal Audit) recommended management consult with legal counsel and revise the Policy and safety specifications to align with expectations and develop methods to ensure all applicable PMs are aware of their responsibilities. HSEC should also develop a more effective method for identifying PMs requiring training. Management agreed and indicated legal counsel will be consulted and Policy and safety specifications updated accordingly. Also, management agreed to work with CAMM to develop a process for timely identification of PMs with assigned responsibilities and will develop tools and/or training for these PMs.

The system for recording and follow-up of safety violations identified by HSEC is not used effectively or consistently. Internal Audit recommended management develop and document procedures for use of the system to track observations, including guidelines for classification of observations as “minor” or “major”, as well as standards for timely entry of observations and documentation of follow-up procedures. Management agreed and will develop a standardized procedure for use of the system to record and track observations, as recommended.

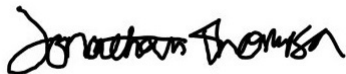
***Summary***

Internal Audit has completed an audit of the Contractor Safety Management Program and offered two recommendations for improvement.

***Attachment***

- A. Contractor Safety Management Program, Internal Audit Report  
No. 26-506

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**Approved by:**



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