

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2025-26 Internal Audit Plan  
Second Quarter Update**

**ATTACHMENT A**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Mandatory External Independent Audits</b>							
Annual Financial Audits and Agreed-Upon Procedures (AUP) Reviews	FY26-001 through FY26-003	Coordinate and report on annual financial and compliance audits and AUP reviews for FY 2024-25.	Financial	420	197	224	In Process
External Regulatory Audits	FY26-004	Coordinate and report on audits by regulators or funding agencies.	Compliance	80		80	
<b>Internal Audit Department Projects</b>							
Risk Assessment and Annual Audit Plan	FY26-100	Preparation of the annual audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year.	Audit Plan and Updates	180	63	117	
Quality Assurance and Self-Assessment	FY26-101	Update of Internal Audit Policies & Procedures to reflect Generally Accepted Government Auditing Standards (GAGAS). Ongoing quality management activities required by GAGAS.	Quality Assurance	160	4	156	
Fraud Hotline Activities	FY26-102	Administrative duties related to maintenance of the Orange County Transportation Authority (OCTA) Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	120	4	116	7 Reports Received
Peer Review	FY26-103	Participate in peer reviews of other internal audit agencies in exchange for reciprocal credit towards required peer reviews of OCTA's Internal Audit Department.	Peer Review	60		60	
Automated Workpaper Solution	FY26-104	System updates/training related to automated workpaper solution.	Workpaper System	30	54	(24)	
<b>Internal Audits</b>							
<b>Organization-Wide</b>							
Ralph M. Brown Act (Brown Act) Compliance	FY26-5XX	Assess and test controls to ensure compliance with Brown Act requirements, including notice and agenda posting requirements, conduct of meetings, closed session, public participation, and recordkeeping requirements.	Compliance	220		220	
Board of Directors (Board) Compensation, Mileage Reimbursement, and Training	FY26-507	Assess and test procedures and recordkeeping processes evidencing compliance with AB 1234 (Chapter 5, Statutes of 2017).	Compliance	220	108	112	In Process

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<b>Express Lanes Program</b>							
Toll Lanes Integrator System	FY26-501	Assess and test oversight, contract compliance, and invoice review controls related to the contract with Kapsch Trafficom USA, Inc. for the design, implementation, installation, operation, and maintenance of a toll collection system for the existing 91 Express Lanes and the 405 Express Lanes.	Internal Control / Compliance	280	331	(51)	In Process
<b>People and Community Engagement</b>							
Commuter Club	FY26-505	Assess and test controls in place to ensure compliance with policies and procedures related to this employee benefit program.	Operational	180	296	(116)	Issued 12-19-25
Construction Safety	FY26-506	Assess and test policies, procedures, and controls related to the Construction Safety Program function.	Operational	260	201	59	In Process
Public Outreach - OC Streetcar	FY25-512	Assess and test oversight controls, contract compliance, and invoice review controls related to agreements for public outreach for the OC Streetcar Project.	Internal Control / Compliance	8	11	(3)	Issued 07-22-25
OCTA Bus Marketing and Promotions	FY26-5XX	Assess and test controls over bus marketing and promotions operations, including procurement and oversight of firms providing services.	Operational	280		280	
<b>Capital Programs</b>							
Project Management and Planning Support	FY26-508	Assess and test oversight controls, contract compliance, and invoice review controls related to contracts with Mott MacDonald, LLP for project management and planning support.	Internal Control / Compliance	240	169	71	In Process
State Route 55 Improvements: Interstate 405 to Interstate 5	FY26-504	Assess and test project administration, oversight controls, and contract compliance.	Internal Control / Compliance	300	261	39	Issued 11-19-25
<b>Planning</b>							
Environmental Mitigation Program	FY26-5XX	Assess and test controls and compliance with contract agreements for property management, monitoring, and/or reporting relating to the program.	Internal Control / Compliance	280		280	

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<b>Operations</b>							
Right-of-Way (ROW) Maintenance	FY25-515	Assess and test the adequacy and effectiveness of controls related to maintenance of the railroad ROW and the contract with Joshua Grading and Excavating, Inc.	Operational	160	131	29	Issued 9-23-25
Same-Day Taxi Services	FY26-503	Assess and test adequacy of oversight, compliance, and invoice review controls related to the agreement with Cabco Yellow, Inc., doing business as California Yellow Cab, for provision of same-day taxi services.	Internal Control / Compliance	240	284	(44)	Issued 11-17-25
Travel Training	FY26-5XX	Assess and test oversight, invoice review, and contract compliance controls related to the agreement with Mobility Management Partners for provision of travel training services.	Internal Control / Compliance	240		240	
Special Transit Services	FY26-5XX	Assess and test controls related to cost-sharing agreements with agencies for provision of transit services to seniors/OC ACCESS-eligible individuals.	Internal Control / Compliance	320		320	
Fluid Management System	FY26-5XX	Assess and test controls in place for the dispensing of fuel and other consumables, as well as mileage monitoring, utilizing the Fleetwatch Fluid Management System.	Operational	240		240	
Compressed Natural Gas Station: Maintenance and Operations	FY26-5XX	Assess and test oversight, invoice review, and contract compliance controls related to the contract with Trillium USA Company, LLC for provision of operation and maintenance of fueling facilities.	Operational	240		240	
<b>Finance and Administration</b>							
Budget Development and Monitoring	FY25-514	Assess and test controls over budget development, monitoring, and reporting.	Operational	8	36	(28)	Issued 7-31-25
Treasury	FY26-5XX	Semi-annual audit of investments: compliance, controls, and reporting.	Compliance	360	158	203	1 Report Issued
Warranty Administration	FY25-516	Assess and test controls in place for identifying, tracking, and recording of warranty repairs and credits.	Operational	220	317	(97)	Issued 10-13-25
Price Reviews	PR26-5XX	As requested by the Contracts Administration and Materials Management (Camm) Department, apply AUP to sole source, single bid, and architectural and engineering firm proposals.	Price Review	500	560	(60)	15 Reports Issued
Buy America	FY26-5XX	As requested by the Camm Department, apply AUP to determine compliance with Buy America requirements.	Buy America	260		260	

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<b>Unscheduled Reviews and Special Requests</b>							
Unscheduled Reviews and Special Requests	FY26-800	Time allowed for unplanned audits and requests from the Board or management.	Varies	180		180	
<b>Monitoring Activities</b>							
Measure M2 Taxpayer Oversight Committee (TOC)	FY26-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	50	10	40	
Capital Asset Inventory Observation	FY26-602	At the request of the Finance and Administration Division, observe and apply limited procedures related to bi-annual capital asset inventory counts.	Non-Audit Service	80		80	
<b>Follow-Up Reviews</b>							
Follow-Up Reviews and Reporting	FY26-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-Up	325	209	117	
<b>Total Audit Project Planned Hours (A)</b>				<b>6,741</b>	<b>3,403</b>		

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<b>Internal Audit Administration</b>							
Board and Committee Meetings				180	63	117	
Executive Steering and Agenda Setting Meetings				170	51	120	
Internal Audit Staff Meetings				150	64	86	
Other Administration				1,500	702	799	
<b>Total Hours (B)</b>				<b>8,741</b>	<b>4,282</b>		
<b>Department Target Efficiency (A/B)</b>				75%	79.47%		
<b>Target Efficiency - Professional Staff</b>				80%	84.94%		

**Contingency Audits: Internal**

Records Management	FY26-5XX	Assess and test the adequacy of recordkeeping practices.
Enhanced Mobility for Seniors and Individuals with Disabilities Program	FY26-5XX	Audit program design, award and execution of grants, as well as activities and reimbursements.