

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Cooperative Agreements with Special Services Agencies for Provision of OC ACCESS-Eligible Transportation

Internal Audit Report No. 26-509

March 19, 2026



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Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) 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. Internal Audit identified areas of noteworthy accomplishment.

Background

To reduce OC ACCESS (ACCESS) service costs, 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 increases to the per-trip subsidy based on the Consumer Price Index. Agreements in place covering the period from July 1, 2024 through June 30, 2029, are as follows:

- Agreement No. C-4-2287 with Acacia Adult Day Services, initial year maximum obligation \$204,300.
- Agreement No. C-4-2288 with Alzheimer’s Family Services Center, initial year maximum obligation \$245,125.
- Agreement No. C-4-2289 with Community SeniorServ, Inc., doing business as Meals on Wheels Orange County, initial year maximum obligation \$368,950.
- Agreement No. C-4-2290 with SoCal Senior Services, LLC., initial year maximum obligation \$433,050.
- Agreement No. C-4-2291 with Orange County Adult Achievement Center, doing business as My Day Counts, initial year maximum obligation \$1,384,075.

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.

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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.

Objectives, Scope, and Methodology

The objectives were to assess and test contract compliance and invoice review controls related to the cooperative agreements with special services agencies.

The methodology consisted of performing a walkthrough and testing of the trip validation and eligibility verification processes to determine whether validation worksheets detect errors and anomalies as intended, testing a sample of invoices for compliance with the invoice authorization policy and contract provisions, and testing evidence of annual monitoring site visits to verify controls in place to ensure agencies adhere to key contract and program requirements.

The scope was limited to Agreement Nos. C-4-2287, C-4-2288, C-4-2289, C-4-2290, C-4-2291, and all amendments to the agreements. The scope also included data validation Excel worksheets in use as of February 2, 2026. In addition, the scope included a judgmental sample of 25 invoices paid for services provided during the period of July 1, 2024 through December 31, 2025. The judgmental sample was selected to provide coverage throughout the scope period. Since the sample was non-statistical, any conclusions are limited to the sample items tested. Lastly, the scope included testing of annual monitoring site visits conducted for the fiscal year 2025.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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Audit Comment

Noteworthy Accomplishments

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