

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Contractor Safety Management Program

Internal Audit Report No. 26-506

March 30, 2026



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Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has completed an audit of the Contractor Safety 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.

Background

The Contractor Safety function is managed by staff in OCTA's 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 (CAMP) 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. 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. It is the policy of OCTA to provide a standardized approach for managing contractor safety compliance on OCTA property and projects.

If during the contract there is observed noncompliance of health, safety, and environmental requirements, HSEC personnel will bring the violations to the attention of the project manager (PM). Major violations are recorded and tracked with notes recorded in the Origami system. Failure of the contractor to correct a violation or continued violations may be grounds for termination of the contract.

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Objectives, Scope, and Methodology

The objectives were to assess and test oversight and monitoring controls related to contractor safety.

The methodology consisted of reviewing the Project Manager Training List and related training material (PowerPoint) for frequency of trainings and adequacy of materials, interviewing HSEC staff as to how the PM's requiring training are identified, determining if the observations made in Origami were input/closed in a timely manner by confirmation with information provided by the Information Systems Department, if written (email) notification of the issue/observation was provided to the PM, and testing a haphazard sample of Level 1-3 safety specifications for contract compliance and related monitoring. Since the sample was non-statistical, any conclusions are limited to the sample items tested.

The scope is limited to oversight controls and compliance related to contractor safety only; it excludes other health and safety regulatory requirements. For the testing related to Origami input, the scope covered November 2022 through December 2025. For all other testing the audit scope covered November 1, 2023 through October 31, 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 Comments, Recommendations, and Management Responses

Project Manager Training

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 training is not offered in a timely manner. No training was offered between December 2021 and April 2024, and no training has been offered since September 2024.

In addition, there is no process to identify PMs responsible for overseeing contractors assigned to Level 1 and Level 2 safety specifications and provide them with information as to the requirements and their responsibilities.

HSEC receives a weekly email listing of newly hired and promoted employees by title to identify PMs requiring training as to their responsibilities for overseeing contractors assigned Level 3 safety specifications. This method is not effective at identifying all applicable PMs; because an employee's title is not, by itself, an indicator of whether one will be assigned contractor oversight responsibilities. Through interview, Internal Audit also found that PMs responsible for overseeing contractors assigned Level 1 and Level 2 safety specifications were largely unaware of the requirements and their responsibilities. To further investigate the level of compliance, Internal Audit requested selected safety documents from a sample of contractors assigned Level 2 specifications and found most were unable to provide the requested safety documentation and/or provide evidence that their designated health and safety representative was properly credentialed.

Recommendation 1:

Internal Audit recommends management consult with legal counsel and revise Policy and safety specifications to align with expectations and develop methods to ensure all applicable PMs are aware of their responsibilities. In addition, HSEC should develop a more effective method for identifying PMs and ensure training and/or instructions are provided timely.

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Management Response:

Management agrees with Internal Audit's recommendation and will consult with legal counsel to update the Policy and safety specifications to align with regulatory requirements, mitigate agency liability, and clarify roles and responsibilities.

Following an update to the safety specifications, HSEC will work with the CAMM to develop a process for the timely identification of project managers with responsibility for overseeing contractors' assigned safety specifications. HSEC will develop appropriate tools and/or training to be provided to these project managers to ensure they meet these responsibilities.

Safety Violations: Tracking and Remediation

The system for recording and follow-up of safety violations identified by HSEC is not used effectively or consistently.

A software system, Origami, is available for use by HSEC staff to record observations of safety violations identified during periodic safety walks of various OCTA project sites. The system is designed to notify the applicable PM of an observed violation and send automated reminders until confirmation is received that the violation has been corrected.

According to staff, "minor violations" observed and corrected immediately are not recorded in the system. "Major violations" and/or a violation not corrected immediately, are recorded in the system; however, these categories are not formally defined.

Review of observations recorded in the system identified five entries during the period of November 2022 through December 2025. The entries were logged in the system from six to 14 days after the observation occurred and two observations were entered and closed the same day, along with pictures depicting correction of the issue. The remaining three observations remained open for over 30 days, ranging from 35 days to 122 days, and were eventually closed by HSEC staff following a subsequent safety walk.

Recommendation 2:

Internal Audit recommends management develop and document procedures for use of the system to record and 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.

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Management Response:

Management agrees with this recommendation and will develop a standardized procedure for use of the Origami system to record and track observations. The procedure will establish clear criteria for classifying observations as “minor” or “major,” define timelines for timely and accurate entry, standardize requirements for documenting corrective actions through closure, and clearly outline roles and responsibilities to ensure accountability throughout the process.