OCTA

August 20, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Bus and Metrolink Marketing and Promotions, Internal Audit Report No. 26-511

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of bus and Metrolink marketing and promotions. Based on the audit, controls over bus and Metrolink marketing campaigns are in place; however, recommendations have been made to improve marketing campaign evaluations and invoice review.

Recommendation

Direct staff to implement the two recommendations provided in the Bus and Metrolink Marketing and Promotions, Internal Audit Report No. 26-511.

Background

The Marketing Programs team serves multiple functions including advertising and promotions for Orange County Transportation Authority (OCTA) programs and services, providing public information campaigns related to key issues relevant to the community, and promoting the OCTA brand. OCTA has entered into several agreements with contractors for program support, marketing, graphic design, bus mural application, and printing services. A Marketing and Public Outreach Project Management Manual (Manual) provides guidance to project managers on how to manage projects consistently and effectively.

The marketing specialist performs research, brainstorms with the section manager, and prepares a marketing plan for campaigns that are $30,000 or more in direct-cost expenditures, and marketing briefs for campaigns budgeted under $30,000. When a marketing campaign is completed, the marketing specialist performs an evaluation of the campaign and documents the evaluation in a PowerPoint that is presented during a monthly department staff meeting or in a one-page report.

The business unit analyst reviews contractor invoices using a checklist that was recently updated in September 2025. The invoices are approved by authorized staff with sufficient signature authority.

Discussion

Two of the six marketing plans did not reflect final required approval, as outlined in the Manual. In addition, staff does not retain point-in-time documentation, such as dated exports from online platforms, that support the figures used at the time marketing campaign evaluations were prepared. Finally, several input and calculation errors were identified in the numbers reported on the campaign evaluations, and staff did not remove duplicates when reporting the number of sweepstakes entries in one campaign evaluation. Internal Audit recommended that staff obtain all required approvals, retain point-in-time documentation supporting data used to evaluate marketing efforts, remove duplicates when reporting on sweepstake entries, and consider implementing secondary reviews of marketing campaign evaluations. Management agreed with the recommendation.

Contractors billed for items that are not included in the contract price summary sheet, and invoice review procedures do not include verification of the pricing of non-labor items. Additionally, a contractor billed for an individual that should have been named as a subcontractor, and, in one instance, billed the individual’s escalated rate prior to the rate becoming effective. Another contractor invoiced photo shoots without supplying supporting bills, and a third contractor invoiced twice at unit pricing that slightly exceeded the contracted rate. Internal Audit recommended that staff review the invoiced unit pricing for non-labor items against the contract price summary sheet and advise contractors to add commonly invoiced items to the contract price summary sheet. Staff should also add the subcontractor to the contract, consistently confirm invoiced rates, and hold payment of other direct costs until supporting bills are submitted. Management agreed to strengthen invoice review controls.

Summary

Internal Audit has completed an audit of bus and Metrolink marketing and promotions and offered two recommendations for improvement.

Attachment

A. Bus and Metrolink Marketing and Promotions, Internal Audit Report No. 26-511

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