



ITEM ID: 2024-117-0

TRANSMITTAL DATE: March 1, 2024

MEETING DATE: March 8, 2024

TO: Audit and Finance Committee

FROM: Elisabeth Lazuardi, Director, Audit

SUBJECT: Corrective Action Status Update - Second Quarter Ended December 31, 2023

Issue

The Internal Audit Department (Internal Audit) provides to the Board a quarterly report on the status of the corrective actions of prior audits.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. By monitoring the status of corrective actions, we are providing transparency as to the status of business process improvements agency wide.

Background

At the July 28, 2017, Board meeting, the Board directed Internal Audit to provide the Board with quarterly updates of corrective actions on internal and external audits.

Discussion

For the second quarter ended December 31, 2023, there were 3 items implemented and verified, 4 items implemented pending verification, 1 item past due, and 28 items not yet due.

The reporting of the corrective actions contains two attachments:

Attachment A: Corrective Action Outstanding Items. The attachment includes corrective actions that were not yet due, past due, or implemented pending verification as of December 31, 2023. Corrective actions related to external audit findings will remain on Attachment A until the external auditors clear those findings.

Attachment B: Corrective Action Closed Items. The attachment includes corrective actions that were implemented and verified or closed.

Attachments A and B reflect all internal and external audits completed through December 31, 2023. The status of the corrective actions for these audits have been updated through the transmittal date of this report.

Table 1 below summarizes the activities from Attachments A and B up through the Second Quarter of FY 2024.

Table 1. Corrective Action Activities for Q2 FY 2024

Report Name	Implemented Verified or Closed	Implemented Pending Verification	Past Due	Not Yet Due
Audit Reports Issued during Q2 FY 2024				
2024-05-IA - Contractor's Physical Access Deactivation Audit		1		7
2024-08-EA - ACFR & Single Audit				1
Audit Reports Issued Prior to Q2 FY 2024				
2023-11-EA 2023 FTA Triennial Review		2	1	
2023-05-IA HR Recruitment and Selection Process				7
2023-07-IA IT Software Asset Inventory Process				3
2022-03-IA Inventory Tracking & Monitoring				1
2022-04-IA DBE LC Monitoring Service		1		1
2021-12-CA Bench Contract – Vendor Selection Process				8
2023-01-EA ACFR & Single Audit	3			
Total Q2 FY 2024	3	4	1	28

Notes:

FTA: Federal Transit Administration

DBELO & LC: Disadvantaged Business Enterprise Liaison Officer & Labor Compliance

ACFR: Annual Comprehensive Financial Report

Next Steps

Internal Audit will continue reporting on the status of the corrective actions.

Prepared by: Claudia Casasola, Auditor II

Approved by: Elisabeth Lazuardi, Director, Audit

Attachment(s)

[Attachment A - Corrective Action Outstanding Items](#)

[Attachment B - Corrective Action Closed Items](#)