



ITEM ID: 2025-386-0

TRANSMITTAL DATE: January 16, 2026

MEETING DATE: January 23, 2026

TO: Board of Directors

FROM: Elisabeth Lazuardi, Director, Audit
--

SUBJECT: Corrective Action Status Update - Second Quarter Ended
December 31, 2025

Issue

The Internal Audit Department (Internal Audit) provides the Board with 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 quarterly updates on corrective actions on internal and external audits.

Discussion

For the second quarter ended December 31, 2025, there was 1 item implemented and verified, 5 items implemented pending verification, 7 items past due, and 14 items not yet due.

The reporting of the corrective actions contains two attachments. Attachments A and B reflect all internal and external audits completed through December 31, 2025. The status of the corrective actions for these audits has been updated through the transmittal date of this report.

Attachment A: Corrective Action Outstanding Items. The attachment includes items that were not yet due, past due, or implemented pending verification as of December 31, 2025.

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 items that were implemented and verified or closed.

Table 1 below summarizes the activities from Attachments A and B up through the Second Quarter of FY 2026.

Table 1: Summary of Corrective Actions Activities

Report Name	Report Date	Implemented Verified or Closed	Implemented Pending Verification	Past Due	Not Yet Due
Audit Reports Issued During Q2 FY2026					
2025-04-IA Contract Expiration	11/20/2025				6
Audit Reports Issued Prior to Q2 FY2026					
2024-06-IA Contract OP151-21-NRPC (Amtrak)	6/3/2025	1		1	3
2025-05-IA Deactivation of Employee Badges	2/25/2025			5	
2024-14-IA PMO Baseline PA	1/13/2025		1		2
2024-05-IA Contractors' Physical Access Deactivation	12/21/2023			1	
2023-05-IA HR Recruitment & Selection Process	6/22/2023				2
2022-04-IA External DBELO & Labor Compliance	1/17/2023		1		1
2021-12-CA Bench Contract Vendor Selection Process	1/4/2022		1		
2025-10-EA LACMTA MOU FY2024	2/18/2025		1		
2025-09-EA ACFR & Single Audit FY2024 & 2023	12/25/2024		1		
TOTAL Q2 FY2026		1	5	7	14

Notes:

DBELO & LC: Disadvantaged Business Enterprise Liaison & Labor Compliance

ACFR: Annual Comprehensive Financial Report

Next Steps

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

Prepared by: Andrew Hong, Senior Auditor

Approved by: Elisabeth Lazuardi, Director, Audit

Attachment(s)

[Attachment A - Corrective Action Outstanding Items Q2 FY26](#)

[Attachment B - Corrective Action Closed Items Q2 FY26](#)

[Presentation - Q2 FY2026 Corrective Action Status Update](#)