ITEM 13J.

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ITEM ID:	**2026-275-0**
TRANSMITTAL DATE:	**September 18, 2026**
MEETING DATE:	**September 25, 2026**
TO:	**Board of Directors**
FROM:	**Elisabeth Lazuardi, Director, Audit**
SUBJECT:	**Corrective Action Status Update - Fourth Quarter Ended June 30, 2026**

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 quarter ending June 30, 2026, three items were implemented and verified, two items implemented pending verification, no items past due, and 21 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 June 30, 2026. 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, were past due, or were pending implementation as of June 30, 2026. 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 Fourth Quarter of FY 2026.

Table 1: Summary of Corrective Actions Activities

Audit Reports Issued for Q4 FY 2026	Report Date	Implemented	Implemented - Pending Verification	Past Due	Not Yet Due
2026-04-IA - Inventory Obsolescence	05/29/2026				3
Audit Reports Issued before Q4 FY 2026					
2025-06-IA TPA Project Administration	2/9/2026				6
2025-04-IA Contract Expiration Performance Audit	11/20/2025	3			1
2024-06-IA Contract OP151-21-NRPC (Amtrak)	6/3/2025				3
2024-14-IA PMO Baseline PM Schedule Audit	1/13/2025				1
2023-05-IA HR Recruitment & Selection Process	6/22/2023				2
2022-04-IA External DBELO and Labor Compliance	1/17/2023		1		1
2021-12-CA Bench Contract Vendor Selection Process	1/4/2022		1		

2026-01-EA ACFR & Single Audit FY 2025	12/8/2025				2
2026-10-EA LACMTA MOU FY 2025	2/28/2026				1
2025-10-EA LACMTA MOU FY 2024	2/28/2025				1
Total Q4 FY 2026		**3**	**2**		**21**

Notes:

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
Presentation - Q4 FY2026 Corrective Action Status Update