



ITEM ID: 2026-183-0

TRANSMITTAL DATE: April 17, 2026

MEETING DATE: April 24, 2026

TO: Board of Directors

FROM: Elisabeth Lazuardi, Director, Audit

SUBJECT: Corrective Action Status Update - Third Quarter Ended March 31, 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 third quarter ended March 31, 2026, 12 items were implemented and verified, 2 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 March 31, 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 March 31, 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 Third Quarter of FY 2026.

Table 1: Summary of Corrective Actions Activities

| Audit Reports Issued for Q3 FY 2026 | Report Date | Implemented | Implemented - Pending Verification | Past Due | Not Yet Due |
|--|--------------------|--------------------|---|-----------------|--------------------|
| 2025-06-IA TPA Project Administration | 2/9/2026 | | | | 6 |
| Subtotal - Current | | | | | 6 |
| Audit Reports Issued before Q3 FY 2026 | | | | | |
| 2025-04-IA Contract Expiration Performance Audit | 11/20/2025 | 2 | | | 4 |
| 2025-05-IA Deactivation of Employee Badges | 2/25/2025 | 5 | | | |
| 2024-05-IA Contractors' Physical Access Deactivation | 12/21/2023 | 1 | | | |
| 2024-06-IA Contract OP151-21-NRPC (Amtrak) | 6/3/2025 | 1 | | | 3 |
| 2024-14-IA PMO Baseline PM Schedule Audit | 1/13/2025 | 2 | | | 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 |
| 2025-09-EA ACFR & Single Audit FY 2024 | 12/15/2024 | 1 | | | |
| 2026-10-EA LACMTA MOU FY 2025 | 2/28/2026 | | | | 1 |
| 2025-10-EA LACMTA MOU FY 2024 | 2/28/2025 | | | | 1 |
| Subtotal - Prior | | 12 | 2 | | 15 |
| Total Q3 FY 2026 | | 12 | 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: Andrew Hong, Senior Auditor

Approved by: Elisabeth Lazuardi, Director, Audit

Attachment(s)

[Attachment A - Corrective Action Items - Outstanding Q3 FY2026](#)

[Attachment B - Corrective Action Items - Closed Q3 FY2026](#)

[Presentation - Corrective Action Status Update Q3 FY 2026](#)