



ITEM ID: 2024-317-0

TRANSMITTAL DATE: November 1, 2024

MEETING DATE: November 8, 2024

TO: Board of Directors

FROM: Elisabeth Lazuardi, Director, Audit

SUBJECT: Corrective Action Status Update - First Quarter Ended September 30, 2024

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 the Board with quarterly updates of corrective actions on internal and external audits.

Discussion

For the first quarter ended September 30, 2024, there were 4 items implemented and verified, 4 items implemented pending verification, no item past due, and 19 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 September 30, 2024. The status of the corrective actions for these audits have been updated through the transmittal date of this report.

Attachment A: Corrective Action Outstanding Items. The attachment includes corrective actions that were not yet due, past due, or implemented pending verification as of September 30, 2024. 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.

Table 1 below summarizes the activities from Attachments A and B up through the First Quarter of FY 2025.

Table 1. Corrective Action Activities for Q1 FY 2025

Report Name	Implemented Verified or Closed	Implemented Pending Verification	Past Due	Not Yet Due
Audit Reports Issued Prior to Q1 FY 2025				
2023-06-IA - MS289-22 Work Directives		1		5
2024-02-IA - Shared Use Agreements Revenue Billing Process				1
2024-05-IA - Contractor's Physical Access Deactivation Audit				1
2023-11-EA 2023 FTA Triennial Review				
2023-05-IA HR Recruitment and Selection Process				7
2022-03-IA Inventory Tracking & Monitoring				1
2022-04-IA DBELO & LC Monitoring Service		1		1
2021-12-CA Bench Contract – Vendor Selection Process		1		3
2024-08-EA ACFR & Single Audit		1		
2023-09-EA OCTA RCTC Subrecipient Review	4			
Total Q1 FY 2025	4	4	0	19

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 - Outstanding Corrective Actions Status Update FY25 Q1](#)

[Attachment B - Closed Corrective Actions Status Update FY25 Q1](#)