



January 23, 2019

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer
Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2018-19 Internal Audit Plan, Second Quarter Update

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan on August 27, 2018. This update is for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan as an information item.

Background

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities to assist management in the discharge of its duties and responsibilities.

Internal Audit performs a wide range of auditing services that include overseeing the annual financial and compliance audits, conducting operational and contract compliance reviews, investigations, pre-award price reviews, and Buy America reviews. In addition, audits initiated by entities outside of OCTA are coordinated through Internal Audit.

Discussion

The OCTA Internal Audit Fiscal Year (FY) 2018-19 Internal Audit Plan (Plan) (Attachment A) reflects the status of each project.

During the second quarter of the FY, Internal Audit issued the results of an audit of ACCESS services provided by MV Transportation, Inc. Based on the audit, the reservation and scheduling process, invoice approval procedures, and drug and alcohol program monitoring controls are adequate. However, improvements to contract amendment policies, calculation of call center hold-times, and monitoring of preventive maintenance, performance bond requirements, and farebox revenue reconciliations are recommended. In response, management agreed to consider a procurement policy change and to implement corrective action in other areas.

Internal Audit also completed audits of eight projects funded under the Measure M2 Comprehensive Transportation Funding Programs (Program). Projects by the cities of Anaheim, Costa Mesa, Fullerton, Irvine, La Habra, and Tustin, as well as a project by the County of Orange were found to have been completed in accordance with Program guidelines, applications, and agreements. Two recommendations were made to the City of Orange (City) related to a project under the Safe Transit Stops program. The City agreed with the recommendations and indicated that improvements would be made.

The semi-annual audit of investments concluded that OCTA complied with its debt, investment, and reporting policies and procedures during the period July 1 through December 31, 2018.

In addition to several ongoing audits, Internal Audit continued to provide coordination of the ongoing State Triennial Audit by Kimley-Horn, and the annual financial audits and agreed-upon procedures reviews by independent accounting firm, Vavrinek, Trine, Day and Company, LLP. The Federal Transit Administration also notified OCTA of its intent to conduct the Federal Triennial Review between March and September 2019.

Internal Audit also led the procurement of an independent public accounting firm to perform annual financial audits and agreed-upon procedures reviews of OCTA and related agencies for the FYs ending June 30, 2019, 2020, and 2021.

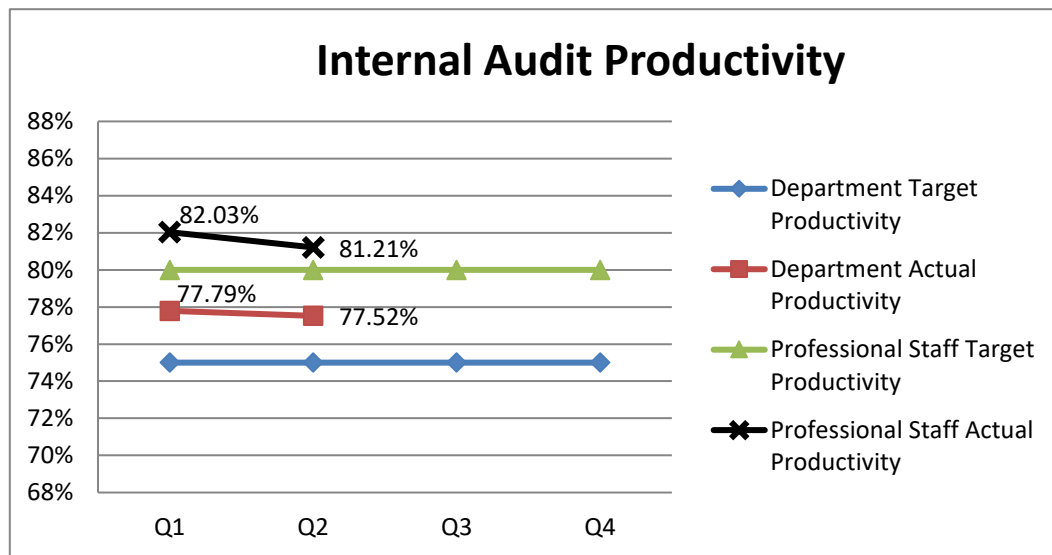
Finally, Internal Audit provided staffing to participate in the peer review of another internal audit department in exchange for earning reciprocal credit towards the required peer review of OCTA Internal Audit, which has been scheduled for February 2019.

Internal Audit Productivity

Internal Audit measures the productivity of the department by calculating a productivity ratio. The ratio, used broadly throughout the audit industry,

measures the amount of time auditors spend on audit projects versus time spent on administrative duties. Productivity goals are established for both the professional staff and for the department as a whole. Because the Executive Director regularly participates in non-audit management activities such as planning and committee meetings, the department-wide target is set at 75 percent. The target for internal audit professional staff, not including the Executive Director, is 80 percent.

For the second quarter ended December 31, 2018, Internal Audit achieved productivity of 78 percent, and the professional staff achieved productivity of 81 percent.



Price Reviews

At the request of the Contracts Administration and Materials Management Department (CAMM), and consistent with OCTA procurement policy, Internal Audit conducts reviews of single bid procurements to ensure that CAMM handled the procurement in a fair and competitive manner. Internal Audit also reviews prices proposed by architectural and engineering firms and sole source contractors to ensure that the prices are fair and reasonable. Internal Audit makes recommendations to adjust proposed rates where they exceed the rates per review. During the second quarter, Internal Audit issued results of nine price reviews.

Fraud Hotline

During the quarter ended December 31, 2018, Internal Audit received seven reports through OCTA's Fraud Hotline, www.ethicspoint.com. Based on the nature of the complaints, three were referred to management for disposition, one reporter was referred to the local police department, one complaint lacked sufficient information for investigation, and another complaint did not involve OCTA. One of the complaints was investigated and substantiated by Internal Audit. The matter was referred to the Chief Executive Officer for disposition.

Internal Audit is committed to responding to all hotline complaints within eight business days. During the quarter ended December 31, 2018, Internal Audit made initial contact within eight business days.

Findings and Recommendations Tracking

At the request of the Finance and Administration Committee, unresolved audit recommendations are included with the quarterly updates to the Plan as Attachment B. Internal Audit includes the findings and recommendations generated internally, as well as those provided by regulatory auditors and OCTA's independent financial statement auditors.

During the quarter ended December 31, 2018, Internal Audit completed follow-up reviews of six unresolved audit recommendations. Three recommendations had been appropriately addressed by management and were removed from the list (Attachment C). Three recommendations from the employee health benefits audit remain open to allow for implementation and testing of new procedures.

Five recommendations related to the ACCESS Service audit and two recommendations from the audits of eight Comprehensive Transportation Funding Program Projects were added to the list.

Summary

Internal Audit will continue to implement the Plan, report on performance metrics, follow-up on outstanding audit recommendations, and report progress on a quarterly basis.

Attachments

- A. Orange County Transportation Authority Internal Audit Department Fiscal Year 2018-19 Internal Audit Plan, Second Quarter Update
- B. Outstanding Audit Recommendations (Audit Reports Issued Through December 31, 2018)
- C. Audit Recommendations Closed During Second Quarter, Fiscal Year 2018-19

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**Orange County Transportation Authority
Internal Audit Department
FY 2018-19 Internal Audit Plan
Second Quarter Update**

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Over (Under)	Status (Date Issued)
Mandatory External Independent Audits							
Annual Financial Audits and Agreed-Upon Procedures Reviews	FY19-001 through FY19-004	Procure independent financial audit firm and coordinate and report on annual financial and agreed-upon procedures reviews for fiscal year 2018-19.	Financial	450	293	158	
State Triennial Audit	FY19-007	Procure independent audit firm and coordinate and report on the required State Triennial Performance audits of the Orange County Transportation Authority (OCTA), Orange County Transit District, and Laguna Beach Municipal Transit Lines.	Compliance	180	132	48	
Federal Triennial Audits	FY19-006	Coordinate and report on results of the required Federal Transit Administration's Triennial Review.	Compliance	80		80	
External Regulatory Audits	FY19-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	60	30	30	
Internal Audit Department Projects							
Risk Assessment and Annual Audit Plan	FY19-100	Preparation of the annual audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year, including monitoring the audit results of related entities.	Audit Plan and Updates	200	87	113	
Quality Assurance and Self-Assessment	FY19-101	Update of Internal Audit Policies & Procedures. Annual self assessment of the Internal Audit Department's (Internal Audit) compliance with Government Auditing Standards.	Quality Assurance	160	11	149	
Peer Review	FY19-104	Participate in peer reviews of other internal audit agencies in exchange for reciprocal credit towards required peer review of OCTA's Internal Audit. Report results of peer review to Finance and Administration Committee and the Board of Directors (Board).	Peer Review	120	55	65	
Fraud Hotline Activities	FY19-102	Administrative duties related to maintenance of the Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	240	63	178	
Automated Workpaper Solution	FY19-103	System updates/training related to automated workpaper solution.	Workpaper System	40	9	31	
Internal Audits							
Clerk of the Board							
Board Compensation and Ethics Compliance	FY19-5XX	Review procedures and recordkeeping processes evidencing compliance with Assembly Bill 1234.	Compliance	180		180	
Express Lanes Program							
Master Custodial Agreement	FY19-5XX	Review and test activities related to the Master Custodial Agreement between OCTA, Riverside County Transportation Commission, and the Bank of the West for tracking and deposit of revenues and transponder deposits.	Compliance	300		300	
Human Resources and Organizational Development							
Recruiting and Employment	FY19-503	Review procedures, controls, and effectiveness of recruiting and employment operations.	Operational	300	296	4	In Process
Construction Safety	FY19-5XX	Assess the adequacy of policies, procedures, and controls related to the Construction Safety Program function.	Operational	200	36	164	In Process

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Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Over (Under)	Status (Date Issued)
Capital Programs							
Interstate 405 (I-405) Improvement Project: Project Management Contract	FY18-505	Assess and test contract compliance and oversight controls of project management services provided for the I-405 Improvement Project.	Compliance	40	19	22	Complete 7-12-18
Interstate 5 (I-5) Improvements: Pacific Coast Highway (PCH) to San Juan Creek (SJC) Road	FY18-512	Assess adequacy of contract compliance, oversight, and reporting controls related to the I-5 Improvement Project between PCH and SJC Road.	Internal Control	240	310	(70)	In Process
City of Orange Parking Expansion	FY19-5XX	Review of the Orange Parking Expansion project, including project administration, oversight controls, and contract compliance.	Internal Control	300		300	
Planning							
Comprehensive Transportation Funding Programs Projects	FY18-513	Review selected projects for compliance with Measure M2 Ordinance, policies, and procedures.	Compliance	100	314.5	(215)	Complete 10-8-18
Operations							
Right-of-Way (ROW) Maintenance	FY19-502	Evaluate the ROW maintenance program and oversight controls and contract compliance related to the agreement for ROW maintenance.	Compliance	240	421	(181)	In Process
Transit Operations							
Coach Operator Scheduling	FY19-5XX	Review the coach operator scheduling process, including use of the HASTUS application.	Operational	300	88	212	In Process
ACCESS Service	FY18-514	Review and test compliance with key contract provisions, with consideration of program effectiveness and efficiency.	Operational	240	278	(38)	Complete 10-10-18
Finance and Accounting							
Treasury	FY19-501	Semi-annual review of investments: compliance, controls, and reporting.	Compliance	200	155	45	Complete 10-8-18
Grant Closeouts	FY18-511	As-needed, required financial and compliance audits of grants at closeout to ensure propriety of expenditures.	Compliance	40	21	20	Complete 8-1-18
Mobile Ticketing	FY19-504	Assess and test controls for mobile ticketing revenue collection and recording.	Internal Control	240	268	(28)	
Renewable Natural Gas Credits	FY19-5XX	Review and test compliance with the agreement with Element Markets for renewable gas credits.	Compliance	180		180	
Information Systems							
Patch Management	FY19-5XX	Assess the adequacy of the patch management program.	Operational	120		120	

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Contract Administration and Materials Management (Camm)							
Price Reviews	PR19-XXX	Cost and price analyses as requested by OCTA's Camm Department.	Price Review	750	248	503	10 Reports Issued
Buy America	FY18-XXX	Pre-award and post-delivery reviews to ensure vendors and OCTA are in compliance with federal Buy America requirements.	Compliance	80	4	76	Complete 8-22-18
Warranty Administration	FY18-510	Assess adequacy of controls in place for tracking and recording of warranty repairs and credits.	Internal Control	80	182	(102)	
External Affairs							
Bus Marketing	FY19-5XX	Review Bus Marketing program; assess and test oversight controls and contract compliance over contracts for bus marketing, public outreach, etc.	Compliance	240		240	
Unscheduled Reviews and Special Requests							
Unscheduled Reviews and Special Requests	FY19-5XX	Time allowed for unplanned audits, coordination of external agency audits, and requests from the Board and management.	Varies	240		240	
Monitoring Activities							
Measure M Taxpayer Oversight Committee (TOC)	FY19-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	60	8	52	
Metrolink Audit Activities	FY19-602	Obtain and review audit results of Metrolink activities	Non-Audit Service	40	13	28	
Bus Base Inspections	FY19-603	At the request of the Transit Division, participation on annual base inspection teams.	Non-Audit Service	40	37	3	
					142		
Follow-up Reviews							
Follow-up Reviews and Reporting	FY19-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-up	320	142	178	
Total Audit Project Planned Hours (A)				6,600	3,659	3,084	

Orange County Transportation Authority
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Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Over (Under)	Status (Date Issued)
Internal Audit Administration							
Board and Committee Meetings				180	66	114	
Executive Steering and Agenda Setting Meetings				180	65	116	
Internal Audit Staff Meetings				150	64	86	
Other Administration				1,500	715	785	
			Total Hours (B)	8,610	4,426	4,184	
			Department Target Efficiency (A/B)	75%	78%		
			Target Efficiency - Professional Staff	80%	81%		

**Outstanding Audit Recommendations
Audit Reports Issued Through December 31, 2018**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response and Status	Internal Audit Status
10/19/17	17-506	Human Resources and Organizational Development (HROD)	Employee Health Benefits	Management should develop and implement written procedures to ensure that all qualified Health Savings Account (HSA) enrollees receive their employer-paid contribution. Further, OCTA should make the required HSA contributions, plus reasonable interest, to the employees identified in the audit.	Apr-19	The contributions have been remediated and processed to the two employee HSA's. Reasonable interest will be calculated and deposited. As these transactions are processed as payroll earnings, benefits will work with payroll to establish written procedures. Update April 2018: A report has been created that will assist in auditing contributions for eligible participants. A written procedure will be established in collaboration with payroll. Update October 2018: Written procedures have been developed.	October 2018: To allow for testing of the implementation of new procedures, Internal Audit will perform follow-up again in six months. Internal Audit estimates progress toward completion at 50 percent.
10/19/17	17-506	HROD	Employee Health Benefits	Management should develop a written policy and procedures for collection of premiums in arrears.	Apr-19	The participant that owed \$1,336.40 as of December 2016, has paid this amount to OCTA. Management will work on a written policy and procedure to collect unpaid medical premiums. Update April 2018: Management is working on a written policy and procedure to collect unpaid medical premiums. Update October 2018: Written procedures have been developed.	October 2018: To allow for testing of the implementation of new procedures, Internal Audit will perform follow-up again in six months. Internal Audit estimates progress toward completion at 50 percent.
10/19/17	17-506	HROD	Employee Health Benefits	Management should seek Board of Directors (Board) member input and clarify the policy to address benefits eligibility for Board members that receive cash payments in-lieu of health benefits from the public entity they serve.	Apr-19	Management will consider revisions to the Fiscal Year 2018-2019 (FY19) Personnel and Salary Resolution (P&SR) to clarify the policy. The FY19 P&SR will be presented for Board approval in June 2018, along with the annual budget. Update April 2018: Management will consider revisions to the FY19 P&SR to clarify the policy. It will be presented for Board approval in June 2018, along with the annual budget. Update Oct 2018: The Board approved changes to P&SR, and changes were made to the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.	October 2018: To allow for implementation of these new procedures, Internal Audit will perform follow-up procedures in six months. Internal Audit estimates progress toward completion at 50 percent.
7/12/18	18-505	Capital Programs	Interstate 405 (I-405) Improvement Project: Project Management Contracts	Internal Audit recommends that management validate labor rates to payroll registers for staff included in the cost estimates that are not part of the contract or amendment. In addition, new staff appearing on cost estimates should be added to the contract concurrently.	Jan-19	As a part of preparing amendments, procurement staff will validate labor rates of all proposed staff provided with the consultants' cost estimates using either payroll registers and/or a job offer letter issued to the personnel. Additionally, new staff appearing on cost estimates will be added to the contract if it is anticipated they will be working in this classification for six months or more.	Not yet due.

**Outstanding Audit Recommendations
Audit Reports Issued Through December 31, 2018**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response and Status	Internal Audit Status
7/12/18	18-505	Capital Programs	I-405 Improvement Project: Project Management Contracts	Internal Audit recommends management comply with procedures on the effective dating of amendments.	Jan-19	Management acknowledges that the procedures as written for back-dating letter amendments need to be revised. The procurement department will update the Procurement Manual to agree with current practices.	Not yet due
7/12/18	18-505	Capital Programs	I-405 Improvement Project: Project Management Contracts	Internal Audit recommends that management develop and implement appropriate controls to ensure labor classifications are only used as intended and all labor rates are held to contract escalation limits. Invoices should be monitored to ensure staff working steadily on the project are added to the contract in a timely manner.	Jan-19	Management agrees with the recommendation to develop and implement controls regarding the use of labor classifications. Staff that works, or is proposed to work, on a continuous basis for a period of six months or more will be added as named personnel to the contract. Labor classifications will continue to be utilized for staff working temporarily on the project. Additionally, management will require that consultants receive approval from OCTA's project manager in writing prior to adjusting the salary of individuals within labor classifications at a rate greater than the contractually allowable escalation rate for named personnel.	Not yet due
7/12/18	18-505	Capital Programs	I-405 Improvement Project: Project Management Contracts	Internal Audit recommends management address the extent to which OCTA managers should be involved in initiating promotions of consultant staff. In addition, the procurement department should process amendments in accordance with requests, or reject requests if there is disagreement about the requested action. Regarding the sub-consultant staff, management should implement controls to ensure only hours worked are billed. At a minimum, management should require approval of timesheets by Mott MacDonald (MM) supervisory staff.	Jan-19	Management will instruct staff not to request any promotions of consultant staff. With respect to processing amendments as requested by project managers, procurement staff will continue to conduct the due diligence on all requisitions and review each request for clarity and reasonableness. Clarifications and/or concurrence will be sought from project managers prior to executing contract amendments. Management will require approval of timesheets by MM supervisory staff as recommended. Reimbursements to OCTA for hours billed but confirmed as not worked will be obtained. The sub-consultant employee referred to has been removed from this assignment and is in the process of being removed from the contract. MM will review timesheets signed and certified by all sub-consultant personnel who work full-time at OCTA offices and will agree to the level of effort and performance of duties by the sub-consultant.	Not yet due
8/22/18	18-510	F&A	Warranty Administration	Management should formalize procedures for developing warranty claim values and maintain documentation to support the labor rates and labor hour estimates used.	Feb-19	Management will establish a formal process for internal and external repairs and utilize internal labor rates established by OCTA's Financial Planning and Analysis Department.	Not yet due.

**Outstanding Audit Recommendations
Audit Reports Issued Through December 31, 2018**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response and Status	Internal Audit Status
10/10/18	18-514	Operations Division (Operations) and F&A	ACCESS Service	Internal Audit recommends that management consider a policy update that requires Board approval for amendments that obligate OCTA to additional costs exceeding \$250,000, even when the increase can be accommodated within the contract maximum. Internal Audit also recommends that staff ensure the validity of consultant assumptions before relying on them to derive cost estimates. Finally, the justification and responsibility for selecting between various cost estimates should be documented and approved	Apr-19	Management to consider a policy change to require Board approval for amendments where individual tasks may increase beyond \$250,000. Regarding the recommendation for staff to ensure the validity of consultant assumptions before relying on them to derive cost estimates, management agrees to comply. Lastly, management agrees that the justification and responsibility for selecting between various cost estimates should be documented and approved in writing by the project manager.	Not yet due.
10/10/18	18-514	Operations	ACCESS Service	Internal Audit recommends that management instruct MV Transportation, Inc. (MV) to correct the calculation of percentage of calls answered within five minutes. Further, management should increase oversight of the performance standard by periodically validating the data and the calculation.	Apr-19	Management will correct the calculation of percentage of calls answered within five minutes. In addition, management will enhance procedures for monitoring the calculation of percentage of calls answered within five minutes.	Not yet due.
10/10/18	18-514	Operations	ACCESS Service	Internal Audit recommends that staff consistently perform monthly monitoring of preventative maintenance inspections.	Apr-19	Management agrees with the finding and will perform consistent inspections of preventive maintenance records to ensure compliance with all regulatory agencies and contract requirements.	Not yet due.
10/10/18	18-514	F&A	ACCESS Service	Internal Audit recommends that management review performance bonds at contract inception to ensure that the bonds meet the contract requirements. When amendments to increase the contract amount are executed, management should ensure that the bonds are increased accordingly.	Apr-19	CAMM has recently implemented services from a third-party vendor, Insurance Tracking Services, Inc. (ITS), to review bond and insurance documentation for compliance to ensure contract requirements are met. CAMM management will review the bond amount in the ITS system following amendment execution to ensure accuracy of the bond requirements, as well as the bond amount provided.	Not yet due.

**Outstanding Audit Recommendations
Audit Reports Issued Through December 31, 2018**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response and Status	Internal Audit Status
10/10/18	18-514	Operations and F&A	ACCESS Service	Internal Audit recommends that management enhance procedures for monitoring of ACCESS fare revenue. Procedures should include monitoring of coupons collected by both MV and Yellow Cab, reconciliation of MV's daily coupon count sheets to the farebox reconciliation document, and investigation of variances exceeding a stated threshold.	Apr-19	Management agrees to enhance procedures for monitoring of ACCESS fare revenue and coupons collected by both MV and Yellow Cab. In addition, management will continue to reconcile count sheets to the farebox reconciliation report and will establish a threshold for researching variances.	
10/8/18	14-ORNG-STS-3752	City of Orange	Financial and Compliance Audits of Eight Measure M2 Comprehensive Transportation Funding Program Projects	Internal Audit recommended that, in the future, the City of Orange (City) implement controls to ensure procurements fully comply with requirements and advise City staff of program guidelines requiring documentation of the decision to utilize local agency forces on these projects.	Apr-19	The City agreed and indicated that improvements will be made to ensure documentation is maintained to evidence compliance with requirements. OCTA's Planning Division staff will follow up with the City on these recommendations.	Not yet due

**Audit Recommendations Closed During
Second Quarter, Fiscal Year 2018-19**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Management Response
1/4/17	17-502	Finance and Administration (F&A)	Payment Card Industry/Data Security Standard (PCI-DSS) Compliance	Management should evaluate resources and controls to ensure full compliance and develop a proposal to achieve compliance and/or provide a reasonable approach moving forward. Management should implement oversight controls to assess the accuracy, timeliness, and sufficiency of Cofiroute USA's (Cofiroute) PCI DSS compliance information.	Management will take the following actions: (1) engage a third party PCI Security Assessor to perform Self-Assessment Questionnaires (SAQ) going forward; (2) assess the remediation items identified in the SAQ and address items that fall into existing security improvement efforts; (3) perform a yearly assessment of Cofiroute's PCI DSS compliance information; (4) undergo a review to determine if the Orange County Transportation Authority (OCTA) should take the steps necessary to become fully PCI compliant; (5) continue to allocate and prioritize resources to cybersecurity risks while addressing PCI compliance concerns. Update October 2018: Management completed and submitted to Trustwave the required annual Self Assessment and Attestation of Compliance on October 5, 2018. The submission addressed all OCTA transactions, including by Cofiroute, USA (Cofiroute).
1/4/17	17-502	F&A	PCI-DSS Compliance	Management should implement procedures to ensure that quarterly network scans are performed and remediation efforts are identified and addressed accordingly. Management should also implement procedures for oversight and monitoring of Cofiroute's activities and incorporate their system scan results into submissions to American Express.	Management agrees with the Internal Audit Department's (Internal Audit) recommendation and will implement procedures to ensure quarterly network scans are performed. Management will also identify items to be remediated and implement them based on risk and cost. Management will allocate resources to perform periodic assessments of Cofiroute's PCI DSS compliance information. Update October 2018: All quarterly scans are completed and uploaded to Trustwave.com for storage and auditing purposes. Semiannual reviews, an annual onsite visit, and quarterly scan reviews are done for Cofiroute.
9/12/18	17-508 Follow-up	F&A	Contracted Fixed-Route Operations Follow-up	The required amount for the performance bond for the First Transit, Inc. contract had been entered incorrectly in the Insurance Tracking Services, Inc. (ITS) tracking system. Internal Audit recommends that CAMM check ITS' input of the required amount for performance bonds for non-construction contracts with bond requirements.	Update November 2018: CAMM has verified the accuracy of ITS' input of the required amount for performance bonds for all non-construction contracts with bond requirements.