

## SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

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### MEMORANDUM

**TO:** Board of Directors **DATE:** June 12, 2026  
**FROM:** Joseph Beach, Chief Financial Officer  
**SUBJECT:** Response to OIG Status Update on Recommendations Report

This memo contains management's responses to the Office of Inspector General's report *Status Update on Recommendations* dated May 29, 2026.

On January 8, 2026, the Office of Inspector General (OIG) notified the General Manager's Office of its intent to conduct a review titled "Review of Recommendation Updates and Testing of Implemented Recommendations."

Subsequent communications clarified that the review would encompass 31 previously implemented recommendations spanning more than 10 organizational units and dating back to 2021. This broad and comprehensive effort required significant staff time and coordination to locate current documentation, conduct research, and compile evidence demonstrating that recommendations previously reported as implemented remained effectively closed. The review required substantial participation from multiple departments, on top of routine operational activities across several teams.

Upon completion, the OIG concluded six of the 31 recommendations required additional follow-up, indicating that approximately 81 percent of the tested recommendations demonstrated sustained implementation.

Management received notification on May 19, 2026 that the report was to be issued on May 29 for the June 18 Audit Committee meeting and in addition to the six reopened recommendations, now included one aging audit and three aging investigations. The report focuses on two items: 1) Aging Audits and Investigations; and 2) the re-opening of previous recommendations implemented by Management and other Board Appointed Officers.

Since the OIG's inception in 2019, a total of 172 recommendations has been issued, of which management or the Board of Directors has accepted 162, representing a 94 percent acceptance rate. Notably, 31 percent of all recommendations issued since 2019 were made in 2025, significantly exceeding the number issued in any other single year.

The report also included a review of recommendations that remain open or are currently in progress. Although these recommendations have not yet been formally closed, Management has provided the OIG with frequent implementation updates and has maintained ongoing communication regarding progress made toward addressing the recommendations.

Please see the following individuated comments on the noted Open Recommendations from Investigations and Audits.

### **Open Recommendations - Investigations**

#### ***Employee Code of Conduct Remains Outstanding***

*Five open recommendations relate to updates to the Employee Code of Conduct, first identified in April 2022.*

It should be noted that the current ECOC is still in effect, and that after the OIG initial findings, all employees were required to take conflict of interest training, the General Manager sent a memo on March 30, 2023 via a District Announcement to all employees outlining rules regarding conflict of interest, and Internal Audit created the email address [conflictofinterest@bart.gov](mailto:conflictofinterest@bart.gov).

**Background:** The Employee Code of Conduct (ECOC) is one of several codes of conduct and policies that management has reviewed and updated over the past several years. In order to incorporate updates to other codes/policies, especially in the area of Conflict of Interest, management planned to update the ECOC after the Contractor Code of Conduct (2023), Suspension & Debarment Policy (2024), and update to the Non-Represented Employee Manual (2025).

**Status:** The updated ECOC is under internal review to ensure the proposed revisions are consistent with current collective bargaining agreements and other Human Resource policies. We anticipate that the amendments will be completed later this Fall and we plan to transmit the updated ECOC to the Audit Committee for review in January 2027.

#### ***Delayed Implementation of Procurement Controls***

*A February 2023 recommendation to implement a standardized form requiring justification for subconsultant additions remains open. While a draft form has been developed, management has not provided a timeline for implementation.*

**Background:** Internal Audit prepared a draft form in 2023 but because adding subconsultants to an agreement after the agreement has been awarded is infrequent, the review and completion of the form was delayed in lieu of addressing higher risk initiatives.

**Status:** The updated DBE Subconsultant Addition Form is under internal review by the General Counsel's Office and other Offices within BART to ensure it complies with all contracting rules and regulations. We anticipate that the form will be available in early FY27.

***Lack of Defined Timeline for Infrastructure Work***

*A March 2024 recommendation requires BART to provide the Board with a timeline and cost estimate for installing lighting on BART-owned handrails. While installation work is ongoing, a formal plan, timeline, or cost estimate has not been provided.*

As of June 2026 the IG and the Assistant General Manager of Operations have agreed that this item can be closed out with a memo to the Board before the end of FY26 and that there is no relationship to BART-owned handrails.

**Open Recommendations - Audits**

***Span of Control – Organization Charts (2 Recommendations - abridged)***

*BART should: 1) develop processes to ensure that the Human Resources Information System includes an up-to-date dataset of reporting relationships among BART employees, including the lower organizational layers; 2) set expectations that executive offices maintain up-to-date organization charts.*

Processes to maintain accurate datasets of reporting relationships among BART employees, even down to the lowest levels of the organization, have always existed within the Human Resources Department. Real time data on reporting relationships is maintained in PeopleSoft and is available on Employee Connect within the Employee Directory. In addition, higher level reporting relationships, as of budget adoption, are included in Organizational Charts maintained by Performance and Budget and available at

[https://www.bart.gov/sites/default/files/2026-03/Attachment%20C\\_FY27%20Department%20Org%20Charts.pdf](https://www.bart.gov/sites/default/files/2026-03/Attachment%20C_FY27%20Department%20Org%20Charts.pdf)

The HRIS portion of the New Supervisors' Orientation has always covered these position control topics. In response to these recommendations, as well as to emphasize the General Manager's expectation that department organizational charts remain up to date, the Human Resources Department has drafted a District Announcement, targeted to all employees who may supervise other employees, reminding them to confirm that the reporting relationships of their positions are accurate. This announcement provides specific instructions on how to check their positions, and what to do if they notice something wrong.

***Span of Control - Resource Allocation (3 Recommendations - abridged)***

*The BART General Manager should: 3) establish guidance and/or criteria on the factors that executives should follow when assessing their organizational frameworks and making changes to*

*spans of control to improve organizational health or performance; 4) should adopt span of control as a management tool; 5) should establish policies stipulating the conditions supporting span of control ratios of one supervisor to one employee.*

In 2019, BART implemented the Classification & Compensation Study recommendations of a consulting firm that resulted in several significant changes to the BART's procedures with respect to the administration of the District's classification and compensation program. Among these changes was the establishment of a job analysis process which assesses several compensable factors of jobs at the time the classifications are being established, or after circumstances of an existing job may have changed. Supervisory responsibilities are a very important aspect of this job analysis process. Accordingly, a Job Description Questionnaire (JDQ) was established following the completion of the Classification & Compensation Study precisely for the purposes of adopting it as a management tool and establishing guidance to executives on the factors that they should follow when assessing their organizational frameworks. To be clear, Human Resources believes these recommendations (#3 and #4) are already in place and have been since the implementation of the Classification & Compensation Study of 2019.

Span of control ratios vary from position to position. Accordingly, it would be difficult to stipulate a minimum/maximum span of control rationale in a policy. However, the District Announcement planned by the Human Resources Department, which will be periodically communicated as a reminder to management staff, will remind managers of the importance of maintaining balance regarding span of control for similar positions. The District has established other communication tools for employees and supervisors to communicate concerns regarding assigned duties, including imbalance in supervisory responsibilities. Using BART's job analysis process, which factors supervisory responsibilities, the goal is to eliminate any potential inequities in assigned duties.

Signed by:

*Joseph Beach*

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Joseph F. Beach

cc: Internal Audits