



FY21 Internal Audit Activities Report

PERFORMANCE & BUDGET - NOVEMBER 2021

Approved to Issue:

Dennis Markham, Director of Performance and Audit
Performance and Audit Department



1. Introduction

1.1. Mission of Internal Audit

The mission of internal audit is to enhance and protect organizational value by providing independent risk-based and objective assurance, advice, and insight to management. The Internal Audit Division assists the San Francisco Bay Area Rapid Transit District (BART) to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes through conducting, coordinating, and managing compliance, regulatory, legislative, and special audits and assessments with priority given to identifying and addressing internal controls and areas of fraud, waste, and abuse.

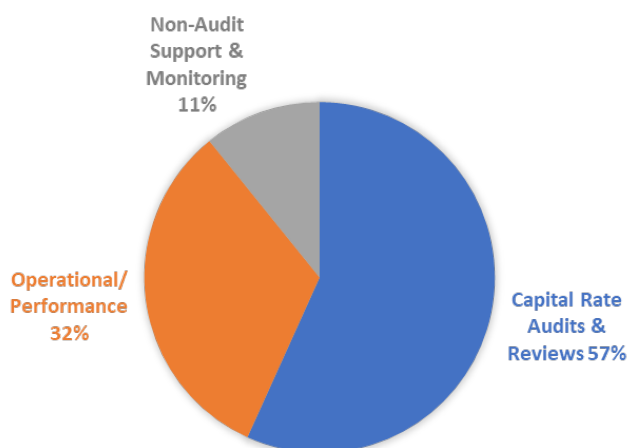
1.2. Internal Audit Authority and Responsibility

Internal Audit provides an independent assessment function and has no direct authority over the activities it audits, nor does it relieve management of any assigned responsibility. Internal Audit administratively reports to the Director of Performance and Audit (who is an indirect report to the General Manager). Internal Audit is authorized to conduct a broad program of internal auditing within BART and has full and unlimited access to all BART business units, records, systems, property, and personnel.

2. Internal Audit Activities

Internal Audit is responsible for conducting operational/performance audits and audits of District's contractors, coordinating audits performed by external government agencies (e.g., Federal Transit Administration (FTA), Metropolitan Transportation Commission (MTC)), and managing the sales tax recovery services agreement. Internal Audit also provides analytical non-audit support services to other BART departments and activities as requested.

The Performance & Audit Department submitted its FY21 Audit Plan to the Board's Audit Committee in August 2020. This document summarizes the status of the plan's audits and activities (Section 3) and presents outstanding recommendations from the FY21 audits and follow-up to audits from previous years, some of which were closed in FY21 (Section 4).



BART FY21 Internal Audit Work by Activity

Several of BART's internal auditors participated in the District Retirement Incentive Program (DRIP) in FY21. Performance & Audit is in the process of re-building the Internal Audit Division.

Due to the reduced resources resulting from the retirements, this report was delayed and covers FY21 plus the first quarter of FY22 (through September 2021). Several operational/performance audit activities were placed "on hold" or delayed in the latter half of FY21 as efforts concentrated on contractor rate audits and reviews so as not delay the related capital projects. To perform the specialized federal audit work associated with the rate audits/reviews, Internal Audit contracted much of the work to a qualified outside vendor effective in March 2021. The FY21 Internal Audit Work by Activity chart reflects the focus on capital rate audits and reviews, which also include delay and termination claims.

3. FY21 Audit Status Summary

Audit/Activity	Affected Department	Audit Objective	Status	Details
CONTRACTOR RATE AND PRICE REVIEWS (CAPITAL AUDITS)				
Capital Contract Delay Claims (multiple audits)	Design & Construction	Determine reasonableness of contractor delay claim amounts and compliance with FAR Part 31 and contract provisions.	Closed	1 Delay Claim
			In Progress	2 Delay Claims
Capital Contract Final Rates (multiple audits)	Design & Construction/ Procurement	Determine reasonableness of contractor final rates and compliance with FAR Part 31 and contract provisions.	Closed	3 Final Indirect Rate audits
			In Progress	2 Final Indirect Rate audits
Capital Contract Provisional Billing Rates (multiple audits)	Design & Construction/ Procurement	Determine reasonableness of contractor billing rates and compliance with FAR Part 31 and draft contract provisions.	Closed	18 Provisional Rate audits
			In Progress	4 Provisional Rate audits
Capital Contract Termination Claims (multiple audits)	Design & Construction	Determine reasonableness of contractor delay claim amounts and compliance with FAR Part 31 and contract provisions.	Closed	1 Termination claim
			In Progress	1 Termination claim
OPERATIONAL/PERFORMANCE AUDITS				
Audit Recommendation Follow-up and Reporting	Multiple	Determine status of prior internal audit recommendations and provide status reports to managers.	Complete	Follow-up on the four most recently completed audits (California Oath Form, Foreworker Scheduling, Employee Off-boarding, and Workers’ Compensation Payments) was performed in June 2021.
Board Property FY20	District Secretary	Conduct the required annual audit for compliance with the Rules of the Board of Directors on use of District property by Board members.	Closed	Determined that in FY2020 the District complied in all material respects with the requirements of Board Rule 5-3.5.

Status:

Closed – Audit is complete, final report issued, and no outstanding findings and/or recommendations remain.

Complete – Audit is complete, final report issued, but outstanding findings need to be addressed and/or recommendations remain for follow-up.

In Progress – Audit work started and is continuous.

On-going – Recurring audit work with no definitive end date.

On Hold – Audit work was planned but not commenced or audit work was started but suspended by audit staff.

Audit/Activity	Affected Department	Audit Objective	Status	Details
Capital Reimbursements Management	Budget	Determine if capital labor hours reported on timesheets are billed in a timely and accurate manner and that management reports used to monitor and control capital labor costs are adequate.	In Progress	Fieldwork completed, draft report under management review.
Law Enforcement Security Enhancement Program	BART Police Intergovernmental Affairs	Determine if Law Enforcement Officer (LEO) passes allowing Bay Area off duty peace officers to ride BART for free are being misused.	Closed	Determined that all tested participants of the program were eligible for the LEO passes, all the agencies participating in the LESEP are authorized by BPD, and an annual verification is performed.
Customer Complaint Handling Process	Customer Services	Audit customer complaints intake and routing process; determine if customer complaints have been addressed properly and timely.	Complete	Determined that customer complaints were handled in a timely manner with some recommendations for process improvements. Follow-up on recommendations in process.
Driver License Monitoring and Validation Program	Operations	Determine if employees operating non-revenue District vehicles are included in the District's driver's license monitoring program.	Complete	Determined that the District's controls over the Driver License program are not adequate. Follow-up on recommendations in process.
BART Police Payroll Overpayments	BART Police Support Services/ TAAD	Determine if timekeeping practices result in overpayments to police officers when being paid for various non-standard shift activities, such as on-call, call-back, court time and standby.	Closed	Determined that overpayments to officers were minimal. BPD and TAAD have implemented processes and procedures to consistently use time reporting codes and charge certain non-standard activities appropriately.
Employee Off-boarding Process	HR/OCIO	Determine whether the District has adequate controls over the employee offboarding process.	Complete	Determined that the District's current process for offboarding terminating and retiring employees is not adequately documented, implemented, or controlled. Follow-up on recommendations in process.

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Audit/Activity	Affected Department	Audit Objective	Status	Details
IT General Controls	OCIO	Determine if IT general controls are adequate. Risks include unauthorized system changes; lost productivity from IT downtime; employees' access not removed timely upon termination, etc.	On Hold	Audit on hold pending availability of consultant to perform audit.
SVBX Billing (Phase 3)	Budget	Analyze SVBX billings to VTA for timeliness and compliance with governing rules on billable allowances.	In Progress	Fieldwork is in progress
Tower Foreworker Scheduling and Timekeeping	Transportation/ TAAD	Review tower foreworker scheduling and timekeeping practices for fraud, abuse, or violation of labor contract terms.	Closed	Determined that the current scheduling or timekeeping practices did not contain any significant findings. TAAD deployed Task Profile IDs for each control tower to better track time. Transportation staff will monitor.
Measure RR Charging	Accounting/ Capital Funds Management	Test non-labor Go Card charges to Measure RR projects and review procedures for excluding ineligible non-labor Go Card costs from being charged to RR projects.	On Hold	Audit on hold pending availability of resources to continue audit.
Worker's Compensation Payments	Human Resources	Test workers compensation payments to determine if employees are also receiving paychecks that are incompatible with their workers compensation case status.	Closed	Determined that the controls to prevent and detect overpayments to employees were documented, controlled, and adequate.
Treasury and Pass Office Procedures Review	Treasury/ Pass Office	Review the adequacy of the procedures, monthly reconciliation process, and occasional inventory verification of procedures for handling ticket, Clipper Card, and BART Store inventory sales.	Closed	Determined that the department has implemented and maintains adequate procedures, monthly reconciliation processes, and inventory verification processes at the Pass Office.
Cash Handling Procedures	Treasury	Determine if internal controls over farebox receipts are sufficient to prevent and detect errors and/or irregularities, are operating effectively, and are in compliance with District policies and procedures.	On Hold	Audit on hold pending availability of resources to perform audit.

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Audit/Activity	Affected Department	Audit Objective	Status	Details
FTA Drug Testing Rate	Human Resources	Determine if the District is in compliance with FTA drug testing regulations designed to prevent accidents and injuries resulting from the misuse of prohibited drugs by employees who perform safety sensitive functions.	On Hold	Audit on hold pending availability of resources to perform audit.
Promotional Tickets Program	Controller-Treasurer/Marketing	Determine whether the internal controls over promotional tickets handled by Marketing Department staff are adequate.	Closed	Determined that recommended policies and procedures have been implemented and that controls over promotional tickets are adequate.
Audit of the District's California Oath Form Requirements	Human Resources	Determine if a signed oath or affirmation form is on file for each BART employee.	Complete	Determined that a signed oath or affirmation form (oath form) was consistently on file for newly hired employees' files. Prior to 2020 the forms were less consistently retained. Follow-up on recommendations in progress.
NON-AUDIT SUPPORT AND MONITORING				
Bombardier Railcar Pricing Review	Operations	Assist Operations staff in the evaluation of the vendor's proposed pricing for up to 425 new railcars to ensure it is reasonable based upon the vendor's costs.	Closed	Pricing was completed in late September 2020. BART is moving forward with an Agreement with Bombardier.
Budget Performance Report Monthly Review FY21	Budget	Perform reviews of Budget Performance Reports for errors/omissions before they are published after the close of each accounting period.	Closed	Ongoing monthly review now being performed by the Budgets department after training provided by Internal Audit.
Capital Reimbursements Variance Reporting FY21	Budget	Calculate capital labor reimbursement budget variances after each accounting period close and report results to management.	Closed	Internal Audit worked with OCIO to automate these reports that are now being administered by the Budgets department.
FTA Compliance - Triennial Review	Multiple	Provide liaison between the FTA reviewers and BART staff.	On Hold	Review is on hold by FTA due to COVID-19. Preliminary schedule is for audit to be conducted in FY22.

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Audit/Activity	Affected Department	Audit Objective	Status	Details
Sales Tax Invoice Verification	Accounting	Review vendor invoices to verify amount of commission charged and report additional sales tax collection information to management.	On-going	Ongoing quarterly review performed on behalf of Director of Financial Planning.
Review of State Sales Tax Remitted to the District FY21	Accounting	Review reporting of sales tax recoveries to management, design report, set-up process for reporting.	On-going	For FY21, the State remitted an additional \$1,235,598 in sales tax to the District based on recoveries identified.

NOTES:

- The FY21 Audit Plan was subject to change based on scope of audit activities, availability of resources, complexity of audit work, and District priorities.
- Full audit reports can be obtained by contacting Dennis Markham, Director of Performance and Audit, San Francisco Bay Area Rapid Transit District, (510) 464-6275 or dmarkha@bart.gov.

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4. Audit Follow-up Status Summary

4.1. Audit of Customer Complaint Handling Process (20PER004) - Released August 21, 2020

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
MANAGEMENT PROCEDURE					
01	Update Management Procedure 118 and related department procedures to better reflect the District's process for handling customer complaints by the Customer Services Department, the District Secretary's Office, and the rapid response biohazard team.	Customer Services/District Secretary's Office	An update to the 2013 document which will incorporate changes in technologies and procedures is in draft process and will be submitted for executive review and approval. The approved revisions should be distributed by GM/Execs to all BART divisions/departments to remind employees of Management Procedure 118 and of the requirement to respond to or copy Customer Services Department so that resolutions, actions and status on complaint and other cases can be recorded and cases closed.	Yes	December 2021
CLOSING COMPLAINTS					
02	Determine if the date a case is resolved with the customer should also be tracked by Customer Services Department in the Salesforce system and modify Customer Services Department procedures for tracking and reporting this information as appropriate. Close cases when they are resolved not when they are referred.	Customer Services	The path forward will be dependent on technological solutions. An executive decision has not yet been made to require all other BART departments and staff to report back to the Customer Services Department with responses, actions or work completion status on complaint or other cases. In absence of reply from the responsible department or staff, no determination can be made if a case is or is not resolved.	Yes	February 2022
03	Work with OCIO to assess if the responsible department for resolving the complaint should also be tracked by Customer Services Department in the Salesforce system and modify procedures for tracking and reporting this information as appropriate.	Customer Services OCIO	OCIO is prepared to conduct discovery and scoping activity with Customer Services, develop a technical recommendation with budget estimates, and build and maintain an appropriate technology solution. This effort may require retooling of the current Customer Services case workflow, and significant expansion of the Salesforce platform in terms of custom-built functionality, systems integrations, licensing, training, and support.	Yes	February 2022

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
04	Update Management Procedure 118 to reflect the District's current process for handling biohazard type complaints, as described in recommendation #01.	Customer Services	See progress update #01: An update to the 2013 document will incorporate biohazard complaints and will be submitted for executive review and approval.	Yes	February 2022
REPORTING PROCEDURES					
05	Work with OCIO to identify ways to enter department referral and resolution information in the Salesforce system and update management reporting practices accordingly.	Customer Services/District Secretary's Office	Discussions are in progress about how best to capture delegation and resolution information in the case record, and the supporting policy (see #02 Progress to Date), process, and technology changes required.	Yes	February 2022
06	Work with OCIO to automate the complaints consolidation process for reporting purposes between the two deployments of the Salesforce system to minimize the need for manual entries.	District Secretary's Office	The DSO has replied to Internal Audit that the current process is working well for the small number of cases the DSO handles, therefore DSO is not changing the current process.	Yes	To Be Determined
ADMINISTRATIVE PROCESS					
07	Limit the 'delete' functionality in the Salesforce system to managers and/or system administrators. (Note: This recommendation was implemented by OCIO during the audit.)	Customer Services	OCIO has limited delete functionality in the Salesforce system to managers and/or system administrators.	No	August 2020
08	Formalize departmental procedures and educate staff to ensure all complaints requiring referral are forwarded to the responsible departments in a timely manner.	Customer Services	Departmental procedures have been revised to ensure that all complaints requiring referral are forwarded to the responsible departments in a timely manner.	No	September 2020
09	Determine the usefulness of the Closed Reason field for management reporting purposes and standardize its use as appropriate. This can also be done for other available fields in the Salesforce system that would provide useful information for management reporting purposes.	Customer Services	Departmental procedures have been revised, including standardizing data fields in the Salesforce system.	No	September 2020

4.2. Audit of Driver License Monitoring Program (20PER001) - Released August 21, 2020

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
WRITTEN PROCEDURES					
01	Develop written procedures to establish the controls and procedures needed to ensure only employees with valid driver licenses drive District vehicles on public roads. These procedures should include defining which employees should be in the Employer Pull-Notice Program (EPN) Program, how departments should use the EPN Program to manage employees driving District vehicles on public roads, and the responsibility for departments to respond to the EPN administrator's requests for driver lists.	EPN Administrator, Maintenance & Engineering	Current policy / procedures are under review and the District is researching an efficient, acceptable strategy to establish an improved Driver License Monitoring Program (DLMP) that better meets the District's.	Yes	December 2021
EMPLOYER PULL-NOTICE (EPN) PROGRAM					
02	Identify all employees that drive the approximately 500 District vehicles on public roads and ensure the EPN Program includes these drivers.	EPN Administrator, Maintenance & Engineering	Current policy/procedures are under review and the District is researching an efficient, acceptable strategy to establish an improved DLMP that better meets the District's needs.	Yes	December 2021
EPN PROGRAM UPDATES					
03	Send requests for a driver list to the 25 departments that were not included in the EPN administrator's request on February 4, 2020 and include these departments in any future requests.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
04	Follow up with the 16 departments that did not respond to the EPN administrator's request for a driver list sent on Feb. 4, 2020.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
05	Follow up with the 2 departments that responded to the EPN administrator's request for a driver list on February 4, 2020, but whose response excluded 60 of their 210 employees.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
06	Include information gathering and department response requirements when developing written procedures.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
CONTROL OF VEHICLES DRIVEN ON PUBLIC ROADS					
07	Provide periodic reports to departments identifying which of their employees are included in the EPN Program and to update with additional employees to be added to the EPN Program.	EPN Administrator, Maintenance & Engineering	Current policy/procedures are under review and the District is researching an efficient, acceptable strategy to establish an improved DLMP that better meets the District's needs.	Yes	December 2021
08	Instruct departments to restrict use of District motor vehicles on public roads to only those employees in the EPN Program.	EPN Administrator, Maintenance & Engineering	Current policy/procedures are under review and the District is researching an efficient, acceptable strategy to establish an improved DLMP that better meets the District's needs.	Yes	December 2021
ADMINISTRATION OF THE EPN PROGRAM					
09	Enter employee numbers in the Samba system to facilitate a more automated and reliable matching of employees tracked in the Samba system with employee information available in the PeopleSoft HR system.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
10	Enter the employee's cost center in the Samba system to facilitate reporting of an employee's EPN status information to the appropriate department. Alternatively, use a more automated and reliable method to determine the employee's cost center using the PeopleSoft HR system.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
11	Delete the existing 116 terminated and other former employees that no longer need to be tracked in the EPN Program and establish a process for identifying and deleting employees in the future that should be removed from the EPN Program.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
12	Maintain records of Samba Exception Reports sent to user departments to demonstrate the frequency and completeness of this process. This could be accomplished by keeping a log or filing copies of reports and emails sent to departments.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
13	Maintain a control list (contact list) of departments responsible for District motor vehicles driven on public roads and use it to ensure all District departments are included on requests for driver lists.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022
14	Provide departments with a complete list of all employees in the department (using data from the Human Resources system) when requesting a list of employees that drive District vehicles on public roads.	EPN Administrator, Maintenance & Engineering	Pending determination, will follow up in December 2021.	Yes	June 2022

4.3. Audit of BART Police Payroll Overpayments (20PER002) - Released March 30, 2020

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
ON-CALL HOURS					
01	Standardize the allocation method for charging on-call hours on timesheets.	BART Police	BART Police designated the Criminal Investigations Division sergeant as the sole person responsible for entering on-call pay for officers, as everyone on-call reports to him/her.	No	February 2020
02	Improve the timesheet review process to ensure that the 10-hour limit is not exceeded, all staff charging on-call hours are authorized, on-call staff swaps are pre-approved, and adequate on-call staff is scheduled for every week of the fiscal year.	BART Police	BART Police designated the Criminal Investigations Division sergeant as the sole person responsible for entering on-call pay for officers, as everyone on-call reports to him/her. Employees on-call will receive daily on-call pay as to allow swaps.	No	February 2020
03	Require supervisors to consistently document on timesheets when emergency circumstance support paying an employee for overtime while also on on-call status.	BART Police	BART Police supervisors were reminded that employees who are on-call should not be working voluntary overtime and any overtime worked needs to be thoroughly documented by adding notes onto the timesheet.	No	February 2020
CALL-BACK TIME					
04	Stop using call-back time code for prescheduled events and meetings. Only use call-back for emergency situations as intended per union contract.	BART Police	BART Police worked with Time and Accounting Dept to revise its call-back time charging procedures to enable supervisors to capture actual times for events/meetings for their staff instead of staff charging maximum number of call-back hours allowed in the union contract.	No	May 2021
05	Require supervisors to consistently document call-back situations.	BART Police	BART Police supervisors were reminded to add detailed notes onto the timesheet when using call-back time.	No	February 2020
COURT TIME					
06	Modify the union contract to include using court time for non-court activities as reflected in current practice.	BART Police	BART Police has revised its procedures to ensure that officers only charge court time for courts. All other non-court activities are coded using manual punches for the actual time along with detailed comments explaining the exact activity.	No	May 2021
07	Educate BPD staff and require that officers complete the signed Court Appearance Form when charging standby for court appearances as a condition of pay.	BART Police	BART Police has revised the court appearance form to require approval by the employee's lieutenant prior to entering time onto an employee's timesheet.	No	September 2020

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
STANDBY					
08	Educate BPD staff and require that officers complete the signed Court Appearance Form when charging standby for court appearances as a condition of pay.	BART Police	BART Police has revised the court appearance form to require approval by the employee's lieutenant prior to entering time onto an employee's timesheet.	No	September 2020
WORKING IN EXCESS OF 20 HOURS					
09	Require supervisors to document the emergency situation that causes staff to work over the 20-hour limit.	BART Police	BART Police supervisors are required to thoroughly document the emergency situation that required an employee to work in excess of twenty hours in a detailed note on the timesheet.	No	February 2020

4.3 Audit of Employee Offboarding Process (21PER003) - Released March 1, 2021

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
WRITTEN POLICIES AND PROCEDURES					
01	Develop a set of written policy and procedures that specify the District-wide requirements for the offboarding process.	Human Resources	HR has posted a policy and procedures document that specifies the District-wide requirements as well desk procedures for the offboarding process on Employee Connect.	Yes	December 2021
02	Develop additional desk procedures that describe the administration of the termination notification process and the use of termination checklists to ensure all offboarding tasks are performed District-wide.	Human Resources	HR has posted a policy and procedures document that specifies the District-wide requirements as well desk procedures for the offboarding process on Employee Connect.	Yes	December 2021
03	Develop a District-wide offboarding control list of all offboarding tasks along with the assigned department, group, or persons responsible for performing each offboarding task.	Human Resources	HR has developed a District-wide offboarding control list of all offboarding tasks.	No	March 2021
OFFBOARDING TASKS PERFORMED BY EMPLOYEE'S SUPERVISOR					
04	Revise the supervisor offboarding checklist to include all possible offboarding responsibilities.	Human Resources	HR has revised the supervisor offboarding checklist to be more comprehensive and explicit.	No	March 2021

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
05	Send supervisor offboarding checklist to the terminating employee's supervisor when an employee terminates or retires.	Human Resources	Implemented as part of the District Retirement Incentive Program (DRIP) process, HR now sends offboarding checklist to the terminating employee's supervisor.	No	March 2021
06	Centrally monitor the preparation and sign-off of the supervisor offboarding checklist.	Human Resources	A central mailbox was set up to monitor the preparation and sign-off of the supervisor offboarding checklist for the DRIP.	Yes	December 2021

OFFBOARDING TASKS PERFORMED BY SUPPORT DEPARTMENTS, GROUPS, AND STAFF

07	Include all support departments and staff with offboarding responsibilities on the termination notification emails.	Human Resources	HR implemented this for DRIP but needs to further refine the process for future separations.	Yes	December 2021
08	Revise the termination notification email to include instructions indicating which recipients should perform an offboarding task and which recipient does not (i.e., for information only). Use the "TO" distribution for recipients that need to perform an offboarding task and the "CC" distribution for recipients that are receiving the email for information purposes only.	Human Resources	HR implemented this for DRIP but needs to further refine the process for future separations.	Yes	December 2021
09	Include offboarding task instructions in the emails sent to the recipients of the notification emails as appropriate.	Human Resources	HR implemented this for DRIP but needs to further refine the process for future separations.	Yes	December 2021
10	Identify and include all support offboarding tasks in the support offboarding checklist.	Human Resources	HR has developed a District-wide offboarding control list of all offboarding tasks. This list identifies and includes all support group offboarding tasks.	No	March 2021

ACCOUNTS REQUIRING CANCELLATION

11	Include removal of Fusion user access in OCIO's internal offboarding process. (Note: This recommendation was implemented by OCIO during the audit.)	OCIO	OCIO implemented this recommendation during the audit.	No	November 2020
12	Update and maintain Fusion user data to include the user's Employee ID to facilitate reconciliation to employee's termination status in HR data and remove Fusion user access for all terminated and retired employees.	OCIO	OCIO implemented this recommendation.	No	February 2021

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
13	Update and maintain wireless user data to include the user's Employee ID to facilitate reconciliation to employee's termination status in HR data and periodically reconcile wireless account user data with HR data to identify and close/transfer accounts for any users that have been terminated.	OCIO	OCIO has revised its process to add employee numbers to all new and updated wireless user accounts.	No	September 2021
14	Procurement update and maintain Go Card user data (in Procurement coordination with HR) to include the user's Employee ID to facilitate reconciliation to employees' termination status in HR data.	Procurement	Procurement has implemented this recommendation with HR's assistance.	No	May 2021

4.4. Audit of Foreworker Scheduling and Timekeeping (21PER004) - Released June 14, 2021

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
TIMEKEEPING PROCESS					
01	Implement the use of Task Profile IDs for recording timekeeping hours worked in the four towers to facilitate better timekeeping analysis and reporting to responsible managers, which would enable Transportation Department staff to compare resulting timesheets with staffing schedules for each tower.	Transportation	Transportation notified ATU labor union of the audit recommendation. Timekeeping (TAAD) deployed Task Profile IDs for each control tower commencing with the September 13, 2021 time reporting period. Transportation staff will monitor.	No	September 2021

4.5. Audit of Workers' Compensation Payments (20PER005) - Released January 26, 2021

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
CONTROL OF PAYMENTS TO EMPLOYEES					
01	Leave Management should direct Athens (workers' compensation program third-party administrator) to send follow-up notices to employees on a periodic basis (e.g., quarterly, or monthly) for unrecovered overpayments.	Leave Management	Leave Management has directed Athens to send follow-up notice to employees on a quarterly basis to request any unrecovered repayments.	No	June 2021

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
02	Leave Management should direct Athens to provide a periodic status report to the District listing detected overpayments along with the status of any efforts made to obtain credits/reimbursements from the employees.	Leave Management	Leave Management has directed Athens to provide periodic updates on a quarterly basis detailing effort to recoup repayments.	No	June 2021
03	Leave Management should direct Athens to track employee by Employee ID in order to facilitate more timely and accurate tracking of reimbursement.	Leave Management	Leave Management has directed Athens to track employees by Employee ID for this purpose.	No	June 2021
04	Leave Management should use the provided status reports to monitor the materiality of overpayments, to monitor the effectiveness of efforts by Athens to obtain credits/reimbursement from employees, and to assess the need for added controls if unrecovered overpayments amounts become material.	Leave Management	Leave Management will monitor Athens' efforts to recoup large, materials, repayments and determine whether additional efforts must be applied.	No	June 2021
BANK ACCOUNT REPLENISHMENTS					
05	Leave Management should request Athens to submit invoices directly to Accounts Payable (AP) for processing and request approvers to provide on-line approvals in a timelier manner.	Leave Management	Leave Management is currently processing payments and submitting them directly to AP for processing. Leave Management is monitoring each invoice and tracking them through distribution.	No	June 2021
06	Leave Management should use a purchase order for processing replenishment payments to reduce the number approvers required by the Accounts Payable system from 8 to 6 and correspondingly reduce the risk of delayed payments.	Leave Management	The Manager of Leave Programs, and Supervisor of Leave Management as proxy, are directly approving vouchers in the system which has improved the approval flow of replenishment and prefund requests timely.	No	June 2021
07	Leave Management should use wire transfers (instead of manual checks) to replenish the replenishment bank account to reduce risk of delayed payments and increase the efficiency of the payment deposit process.	Leave Management	AP is replenishing the Athens workers' compensation escrow account via Automated Clearing House (ACH) payment.	No	June 2021

4.6. Audit of Promotional Tickets Program (19PER002) - Released October 31, 2019

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
WRITTEN PROCEDURES					
01	Update written policies and procedures for handling promotional tickets, including ticket receipts and distribution, recordkeeping, periodic reporting, and ticket destruction.	Marketing	Promotional ticket procedures have been updated as recommended.	No	August 2020
02	Work with Treasury Department to establish a consistent process, including a centralized point of contact for returning expired tickets to Treasury for destruction.	Marketing	A Ticket Return form was developed to facilitate a consistent ticket return process from Marketing to Treasury.	No	August 2020
03	Standardize its tickets destruction process so that all returned tickets, including promotional tickets, go back to the Cash Handling Building for destruction.	Treasury	Treasury standardized its tickets destruction process that all tickets, including promotional tickets, return to the Cash Handling Building for destruction.	No	August 2020
CONTROLS OVER PROMOTIONAL TICKET EXPENSE					
04	Change accounting method for Program expenses so that the Program's expense (the equivalent fare for promotional tickets actually used by patrons at faregates) is more clearly reflected in the Marketing Department's total actual expenses.	Accounting	Accounting changed its accounting method starting in FY20.	No	July 2019
05	Establish an annual budget for the Program's expenses in consultation with the Marketing Department.	Budgets	Budget Department implemented this recommendation for FY21 using accounts 606092 and 606094.	No	August 2020
REPORTING OF TICKET ACTIVITIES TO THE ACCOUNTING DEPARTMENT					
06	Include all ticket activity including tickets received, tickets distributed, tickets on hand, and tickets destructed on all promotional ticket reports.	Marketing	Marketing Department started reporting promotional ticket activity to Accounting starting in FY20.	No	August 2020
INDEPENDENT REVIEW OF CONTROL WORKSHEET					
07	Revise the design of the promotional tickets control worksheets to allow reviewers to readily determine quantity of tickets received, distributed, on hand, or destructed for any given period.	Marketing	Marketing Department has revised the promotional tickets control worksheet.	No	August 2020

4.7. District's California Oath Form Requirements (21PER008) - Released May 10, 2021

#	Recommendation	Responsible Department	Progress to Date	Action Outstanding	Response Date
OATH FORMS ON FILE FOR PAST HIRES					
01	Ensure there is a signed oath form on file for every employee. This may be achieved by asking all employees hired prior to the online preboarding process to electronically sign the oath form and keep signed forms in an online database.	Human Resources	HR has started collaborating with other District departments to implement this recommendation.	Yes	January 2022