



December 1, 2025

Courtney Ruby  
Independent Performance Auditor  
Office of the Independent Performance Auditor

RE: Management's Response to the Accounting and Finance Independent Assessment

Dear Ms. Ruby:

Thank you for the opportunity to respond to the Accounting and Finance Independent Assessment. We thank the Office of the Independent Performance Auditor (OIPA) and Weaver for your analysis and advisement regarding how to best improve our accounting, finance, and budgeting operations.

The report identifies seven key areas where organizational improvements can elevate the accounting, finance, and budgeting functions to a higher level of capability and excellence. Those key areas are: 1) governance and oversight; 2) policies, procedures, and internal controls; 3) technology and systems integrations; 4) performance measurement and accountability; 5) training and workforce development; 6) change management and communication; and 7) roles, responsibilities, and collaboration.

While many of these themes overlap with SANDAG's current areas of focus, this assessment provides valuable insight on how to prioritize our efforts. The review's go-forward approach provides a helpful roadmap to guide our ongoing work to strengthen our accounting, finance, and budgeting operations. These perspectives are also critical to ensure that we properly, reliably, and accurately account for and oversee the funds with which we are entrusted.

Attached is management's response to the recommendations in the assessment.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Orso".

Mario Orso  
Chief Executive Officer

cc: Members of the Board of Directors  
Members of the Audit Committee

Attachment 1 – Management Corrective Action Plan - Accounting and Finance Independent Assessment



**Accounting and Finance Independent Assessment**  
SANDAG's Corrective Action Plan

Accounting and Finance				
Action Point	Ref No.	Recommendations	Management Corrective Action Plan (CAP)	Responsible Owner(s) and Target Completion Date
1	All	<p>SANDAG should establish and maintain a <b>comprehensive framework to consistently assess and monitor key internal controls</b>. The framework should integrate governance, risk management, and compliance across all accounting and finance processes, including groups of key controls for the following areas, at a minimum:</p> <ol style="list-style-type: none"> <li>1. Accounts Payable</li> <li>2. Accounts Receivable</li> <li>3. Asset Management</li> <li>4. Project Accounting</li> <li>5. General Ledger</li> <li>6. Revenue and Expense Recognition</li> <li>7. Toll Operations Accounting</li> <li>8. Quarter and Year End Closing</li> <li>9. Training</li> </ol> <p>This framework should clearly define the design and implementation of key controls in each process area, frequency, risks mitigated, and roles and responsibilities including the policies and procedures that cover all relevant topic areas and address mechanisms for continuous monitoring and improvement. Also include an assessment of residual risk anticipated after application of internal control (may be used for future ERM initiatives). By implementing a centralized framework for tracking and monitoring key controls, SANDAG can increase accountability, reduce reliance on single individuals, ensure consistency in financial operations, and proactively identify and mitigate risks across</p>	<p>Agree</p> <p>SANDAG will develop an internal controls framework for accounting and finance processes. The framework will include risks, controls, mitigations, an assessment of residual risks, and responsible parties. The deliverable will be an iterative document integrated into SANDAG operations and ongoing internal control monitoring. SANDAG will also determine the best option for developing the framework, either internally or via external assistance, based on available resources and capacity.</p>	<p>Director of Internal Control</p> <p>July 2026</p>

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<b>Accounting and Finance</b>				
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		significant process areas and activities. Consider developing the framework using external, qualified advisors and assigning responsibility for maintaining this framework to senior management. Also consider assigning accountability for its use and update to the Director of Internal Controls.		
2	All	SANDAG should encourage and, where appropriate, require pursuit of relevant professional certifications (e.g., CPA, CGFM, CMA) for leadership and technical roles. Update job descriptions to clearly define preferred or required credentials, or specific accounting coursework that satisfies requirements, and prioritize credentialed leadership to strengthen technical proficiency and promote a culture of continuous learning.	<p>Agree</p> <p>To implement this recommendation, SANDAG must first finalize prerequisite processes. As such, SANDAG will:</p> <ol style="list-style-type: none"> <li>1) Complete a core competencies framework that identifies the essential technical and soft skills for each job classification.</li> <li>2) Based on the competencies developed, conduct a job analysis to align job duties, classifications, and expectations.</li> <li>3) Upon completion of the job analysis, define the specific education, experience, training, and/or credentialing requirements, or combination thereof, that would demonstrate</li> </ol>	<p>Director of Human Resources</p> <p>August 2026</p>

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			<p>competency for the job duties and classifications.</p> <p>4) On going forward basis, job descriptions will clearly outline the required and preferred qualifications for candidates and existing employees.</p> <p>SANDAG will include the Finance and budgeting roles as part of the first set of analyses.</p>	
3	A.1	SANDAG should implement a centralized point of receipt for all vendor invoices, preferably through activation and full use of the ERP Vendor Module, to ensure Accounting has immediate visibility over incoming invoices. This will reduce reliance on Project Managers, enable consistent tracking, and improve accountability and timeliness of invoice processing.	<p>Agree</p> <p>The use of the ERP Vendor Module is in development with an implementation date of June 2026.</p> <p>As such, SANDAG will: 1) create centralized emails in each department for receipt of vendor invoice submittals with shared access for AP staff; 2) assign the appropriate staff that will be responsible for monitoring and disseminating invoices to the appropriate department recipients; and 3) develop a method for monitoring that invoices received are entered into ERP for payment.</p>	<p>Director of Accounting and Finance</p> <p>June 2026</p>

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4	A.1	<p>SANDAG should revise the Accounts Payable Standard Operating Procedure to:</p> <ol style="list-style-type: none"> <li>1. Include dollar-based or risk-based approval thresholds. Routine, low-dollar invoices could follow streamlined approval workflows, while higher-value or high-risk invoices should receive elevated review, improving efficiency and allowing management to focus oversight where it is most needed.</li> <li>2. Include timeframe requirements to pay invoices. Specifically, within 30 calendar days after receipt of an undisputed and properly submitted payment request from a contractor as defined by the California Public Contract Code - PCC § 20104.50.</li> </ol>	<p>Agree</p> <p>Efforts to create dollar-based or risk-based approval thresholds are underway. An interim dollar-based threshold has been determined and will be implemented in the next 60 days. A more detailed and risk-based threshold will be established in the CEO Delegation of Authority Policy update.</p> <p>The Accounts Payable (AP) SOPs will be updated to reflect timeframe requirements for payment of invoices as these timeframes are typically identified in SANDAG's contract terms.</p>	<p>Senior Director of Administration and Public Affairs and Director of Accounting and Finance</p> <p>May 2026</p>
5	A.1	<p>SANDAG should require capture of both the invoice receipt date and payment due date within the ERP system to ensure that the ERP system can accurately track and escalate any issues with the timeliness of payment to vendors. To support this, the Standardized Invoice Review Checklist and ERP data entry protocols should be revised to ensure this information is consistently recorded and monitored in alignment with California Public Contract Code §20104.50 and to uphold strong vendor relationships.</p>	<p>Agree</p> <p>SANDAG recognizes the need to track invoice receipt dates and due dates. This information is currently captured on the Invoice Review Form, and it will be part of the Contract Monitoring and Administration Plan (CMAP) currently in development. SANDAG will update the Accounts Payable SOP and training guides to require that the receipt date and</p>	<p>Director of Accounting and Finance</p> <p>May 2026</p>

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			due date be entered in ERP with each invoice.	
6	A.2	SANDAG should fully develop and implement a documented policy outlining overall reconciliation requirements, including frequency, preparer/reviewer responsibilities, documentation standards, escalation procedures, version control, and closure timelines. This policy should clearly define accountability and provide management with oversight mechanisms to ensure timely and accurate completion.	<p>Agree</p> <p>SANDAG will identify and review existing and/or draft policies that address reconciliation requirements (e.g., bank reconciliation, reconciling cash, etc.).</p> <p>Based on review, SANDAG will develop more robust policy and procedures that outline reconciliation requirements, frequency, preparer responsibilities, etc.</p>	<p>Director of Accounting and Finance</p> <p>August 2026</p>
7	A.2	SANDAG should fully implement and consistently use the Reconciliation Tracking Schedule, or another centralized system-based tool, to document and monitor all required reconciliations. The tool should include standardized fields to record the preparer, reviewer, review and approval dates, reasons for delays or issues, and defined frequencies for completion and review. Management should review the tracker monthly to confirm the accuracy of accounts and ensure reconciliations are completed as required. Additionally, the tool should be version-controlled and periodically archived by management to prevent manual edits or deletion of historical data.	<p>Agree</p> <p>SANDAG will implement and consistently use the existing tracking schedule tool for documenting and monitoring required reconciliations. The tracking tool will be reviewed monthly. Version control and archiving will be in accordance with established SANDAG data governance guidelines.</p>	<p>Director of Accounting and Finance</p> <p>August 2026</p>

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8	A.2	SANDAG should require quarterly management reviews of reconciliation completion, accuracy, and timeliness metrics, with results reported to executive leadership. SANDAG should also consider periodic independent reviews to assess adherence to policy and effectiveness of the reconciliation process.	<p>Agree</p> <p>SANDAG will develop more robust policies and procedures outlining the review of monthly/quarterly accounting reconciliations. These procedures will include providing completion and timeliness metrics to the CFO on a quarterly basis. The Director of Internal Controls will perform periodic reviews once the procedures are established and implemented.</p>	<p>Director of Accounting and Finance</p> <p>and</p> <p>Director of Internal Controls</p> <p>January 2027</p>
9	A.2	SANDAG should establish and implement interim reporting checklists or similar procedures / tools to document and define all required steps to ensure account balances are accurate, including reconciliations, validations, and reviews of key accounts, enabling accurate and reliable financial data for decision-making, interim reporting (e.g., to the Board), and audit readiness. This should include any report modifications required for clarity of purpose and use.	<p>Agree</p> <p>In alignment with responses to recommendations 6.A.2 and 7.A.2, SANDAG will update procedures and establish interim reporting checklists to improve accuracy of interim reporting.</p> <p>SANDAG will also review quarterly financial reports to determine if additional clarification is needed around the purpose and use of the reports.</p>	<p>Director of Accounting and Finance</p> <p>and</p> <p>Director of Internal Controls</p> <p>August 2026</p>

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10	A.3	SANDAG should develop or adopt a centralized mechanism or tool to consolidate billing information across all funding sources (local, state, federal, and TransNet), ensuring a system is in place to provide real-time visibility into billing progress, key financial metrics, and compliance deadlines to improve accuracy and timeliness. Management should review the centralized billing tool (on a monthly or quarterly basis) to identify missed or delayed billings.	<p>Agree</p> <p>SANDAG will consolidate existing tracking mechanisms into a consolidated summary of billing activities and review quarterly to identify any missed or delayed billings. The ERP Grant Funding Report can be run real-time to provide visibility into financial metrics for grant billings.</p>	<p>Director of Accounting and Finance</p> <p>March 2026</p>
11	A.3	SANDAG should document and define the expectation for accounting staff to perform either monthly or quarterly reconciliations of cumulative billings to budgeted revenues and funding agreements. Management should review and approve these reconciliations to identify missed billings, discrepancies, or noncompliance in a timely manner.	<p>Agree</p> <p>As with Rec 6.A.2, SANDAG will identify and review existing and/or draft policies that address reconciliation requirements (e.g., bank reconciliation, reconciling cash, etc.).</p> <p>Based on review, SANDAG will develop more robust policy and procedures that include reconciliation of cumulative billings to budgeted revenues and funding agreements.</p>	<p>Director of Accounting and Finance</p> <p>August 2026</p>

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12	A.4	SANDAG should establish formal reconciliation procedures and documentation requirements to ensure consistency, enable secondary review, and reduce reliance on a single individual for toll revenue tracking between FASTLANE and the ERP system.	<p>Agree</p> <p>As with Rec 6.A.2, SANDAG will identify and review existing and/or draft policies that address reconciliation requirements (e.g., bank reconciliation, reconciling cash, etc.).</p> <p>Based on review, SANDAG will develop more robust policy and procedures that include a focus on roles and responsibilities around toll operations reconciliation and documentation requirements. Also, SANDAG will identify additional staff that will be trained on toll revenue reconciliations and tracking.</p>	<p>Director of Accounting and Finance</p> <p>August 2026</p>
13	A.4	SANDAG should evaluate and implement system integration or automation solutions, including compatibility assessments for future and planned upgrades, such as the Deloitte back-end system, to eliminate manual workarounds and improve accuracy, timeliness, and oversight of toll revenue reporting.	<p>Agree</p> <p>SANDAG is currently focused on its immediate goal to maximize and develop mitigations for existing systems. This foundational work is crucial to stabilize work processes and minimize interruptions.</p> <p>Once this stabilization is achieved, more advanced options and complementary user need</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>October 2026</p>

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			assessments will be explored for future implementation.	
14	A.5	SANDAG should integrate the Capital Asset Module with Tyler Content Manager (TCM) or implement an alternative centralized tracking system to automatically link supporting documentation (e.g., invoices, contracts, sale records) to corresponding asset records, reducing manual effort and improving accuracy and traceability.	<p>Agree</p> <p>During implementation of the Capital Assets Module, Tyler Technologies indicated that this integration does not work for both SANDAG's governmental and proprietary funds without a larger structure change. The ERP Capital Asset Module uses TCM to link invoices to capital assets with the invoices manually uploaded. Accounting staff manually reviews invoices serving as a secondary control of capital assets identified by the Project Manager and confirming the purchase meets economic and policy requirements for booking capital assets.</p> <p>SANDAG will continue to work with Tyler Technology resources to identify ways to utilize the system for increased automation in identifying capital assets.</p>	<p>Director of Accounting and Finance</p> <p>October 2026</p>

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15	A.5	SANDAG should require quarterly or semi-annual reconciliations between the Capital Asset Module and supporting project or financial records to confirm completeness and accuracy of asset data and responsible owners. Reviews should include verification of asset existence and the timely recording of economic events such as sales or retirements.	<p>Agree</p> <p>SANDAG will identify and review existing and/or draft policies to include review of Accounts Payable (AP) and Contract activity for potential capital assets on a quarterly or semi-annual basis and require project managers to notify Accounting staff throughout the year of sales and retirements.</p>	<p>Director of Accounting and Finance</p> <p>August 2026</p>
16	A.6	SANDAG should develop a centralized training and certification/credential tracking mechanism that includes role-specific development plans, recurring training schedules, and monitoring of credential status to ensure consistent skill growth tailored to individuals and regulatory compliance.	<p>Agree</p> <p>SANDAG is exploring Learning Management System (LMS) options that would assist with creating, tracking, and monitoring employee training and credential requirements.</p> <p>To maximize the LMS and procure a system that would best address organizational needs, SANDAG must first finalize prerequisite processes. As such, SANDAG will:</p>	<p>Director of Human Resources</p> <p>August 2026</p>

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			<ol style="list-style-type: none"> <li>1) Continue its efforts in creating a training program that identifies mandatory (by statute) and required (based on roles and responsibilities) trainings, scheduled frequency, etc.</li> <li>2) Upon baselining minimum training, additional tailored trainings for departments will be developed and integrated into the training program.</li> <li>3) Additionally, in the interim, SANDAG will develop a tracking and reporting process for staff with certifications and credentials.</li> </ol>	

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<b>Budgets, Grants, and Financial Planning</b>				
<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
1	All	SANDAG should implement and maintain a single, agency-wide reference document (e.g., a RACI matrix) that defines who is Responsible, Accountable, Consulted, and Informed for each step of the budgeting process across capital and non-capital projects, including budget changes made between draft and final stages.	<p>Agree.</p> <p>SANDAG will clearly outline who is responsible, accountable, consulted, and informed for each step in the budgeting process.</p>	<p>Financial Planning, Budgets, &amp; Grants Director</p> <p>June 2026</p>
2	All	SANDAG should implement a mandatory, role-specific budget training program aligned with ERP system requirements to ensure consistent understanding of budgeting processes and expense classifications. Additionally, the agency should promote relevant certifications, such as PMP, to strengthen budgeting expertise and enhance financial oversight.	<p>Agree</p> <p>SANDAG is currently developing a training program that identifies mandatory (by statute) and required (based on roles and responsibilities) trainings, scheduled frequency, etc. As part of the training inventory, we have already forecasted a Budget Series for FY27.</p> <p>Regarding the promotion of certifications, as with Rec 2, SANDAG must first finalize prerequisite processes, including the completion of a job analysis that will inform the defining of the specific education, experience, training, and/or credentialing requirements, or combination thereof, that would demonstrate competency for the job duties and classifications.</p>	<p>Financial Planning, Budgets, &amp; Grants Director</p> <p>In coordination with Human Resources Learning and Development</p> <p>August 2026</p>

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<b>Budgets, Grants, and Financial Planning</b>				
<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
3	B.1	SANDAG should revise the Grant Distribution Program Guide to include a clear 30-day payment timeline expectation in alignment with CFR § 200.305 and establish internal procedures to monitor and report compliance with this standard.	<p>Agree</p> <p>SANDAG will review both the Grant Distribution Program Guide (Guide) and CFR § 200.305. SANDAG will update the Guide to reflect alignment with the regulation, including the 30-day payment timeline expectation. Additionally, SANDAG will establish internal procedures to monitor and report compliance with this standard.</p>	<p>Regional Planning Director</p> <p>September 2026</p>
4	B.1	SANDAG should implement a standardized tracking process across all grant programs to capture key data points, such as actual invoice receipt dates, payment status, and reasons for delays, to improve accountability, timeliness, and oversight of reimbursement processing.	<p>Agree</p> <p>SANDAG agrees that a standardized tracking process for grant management is necessary. SANDAG had previously explored grant management software options but found the options to be either inadequate or cost prohibitive.</p> <p>SANDAG will explore options for standardizing its grant tracking process via short- and long-term solutions.</p>	<p>Regional Planning Director</p> <p>September 2026</p>
5	B.2	SANDAG should consider developing program-specific invoice review checklists tailored to grant's unique requirements, ensuring Program Managers	<p>Agree</p> <p>SANDAG currently utilizes a standardized invoice review checklist, which is used for the grant program.</p>	<p>Regional Planning Director</p>

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		consistently evaluate expenses against all applicable federal, state, and program guidelines.	SANDAG will develop grant checklists that are program specific.	June 2026
6	B.3	SANDAG should develop and implement a policy that clearly defines the frequency, scope, and responsibilities for budget-to-actual monitoring across all projects and departments. The policy should specify who is accountable for preparing, reviewing, and approving budget performance reports and establish clear escalation procedures for significant variances.	<p>Agree</p> <p>SANDAG is in the process of developing a budget to actual monitoring process.</p> <p>As part of the process, SANDAG has assigned administrative analysts to each department to serve as budget coordinators for enhanced coordination and oversight.</p> <p>Additionally, Central Budgets is: 1) establishing regular meetings with the analysts; 2) working with BITs staff to automate relevant reports; and 3) meeting monthly with the Senior Leadership team to review and discuss agency financial health.</p>	<p>Financial Planning, Budgets, &amp; Grants Director</p> <p>June 2026</p>
7	B.3	SANDAG should require monthly or quarterly budget-to-actual reporting and performance monitoring for all active projects, not only major CIP or grant-funded projects, and require Project Managers to review results, document explanations for variances, and outline corrective actions, with oversight from	<p>Agree</p> <p>SANDAG will incorporate budget-to-actual reporting and performance monitoring for all active projects. The cadence (monthly or quarterly) will be determined and incorporated into the</p>	<p>Financial Planning, Budgets, &amp; Grants Director</p>

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		Directors or other leadership personnel as applicable to ensure timely follow-up.	process documented for Recommendation 6.B.3.	June 2026
8	B.3	SANDAG should perform a current user needs assessment to identify reporting challenges across departments and use the results to prioritize and develop ERP or other business intelligence reports that support operational, project management, and executive decision-making, including standardized budget-to-actual reporting.	Agree  Similar to Rec 13.A.4, SANDAG is currently focused on its immediate goal to maximize and develop mitigations for existing systems. This foundational work is crucial to stabilize work processes and minimize interruptions. Once this stabilization is achieved will more advanced options and complementary user need assessments be explored for future implementation.	Director Data Science and Business Information and Technology Services (BITS)  August 2026
9	B.4	SANDAG should implement a mandatory mid-cycle budget review process for all projects between September and April, with clear accountability assigned in the recommended RACI matrix for initiating, confirming, and approving any budget changes, as outlined in the Budgets, Grants, and Financial Planning Recommendation 1.	Agree  SANDAG will explore how best to incorporate a mid-cycle budget review process for all projects, including optimal time for review, clearly assigning roles and responsibilities, and monitoring of budget changes.	Financial Planning, Budgets, & Grants Director  June 2026

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<b>Enterprise Resource Planning System and Change Management</b>				
<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
1	All	SANDAG should create a centralized IT governance structure led by a designated executive with a CIO-equivalent role. This position should oversee IT strategy, decision-making, issue escalation, and alignment between IT and business objectives across departments, with clearly documented oversight procedures and accountability mechanisms in alignment with leading practices, such as those outlined by ISACA for IT governance.	<p>Agree</p> <p>SANDAG's IT governance structure is currently led by the Senior Director of Data Science and Business Information and Technology Services (BITS). The duties of this position include oversight of IT strategy, decision-making, issue escalation, and alignment between IT and business objectives across departments.</p> <p>SANDAG is currently bolstering its IT governance efforts, which include: 1) development of data governance policies and procedures and practices; and 2) evolving the IT Change Advisory Board (CAB) process, roles and responsibilities, and deployment.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>
2	All	SANDAG should document task-level responsibilities for all stakeholders involved in systems implementation and major updates or upgrades, including workflow approvals, testing, and issue resolution. SANDAG should also ensure expectations are communicated consistently across departments to support accountability and reduce confusion.	<p>Agree</p> <p>SANDAG will ensure that the process includes a requirement to document task-level responsibilities and specific procedures for communicating expectations across departments.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>

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<b>Enterprise Resource Planning System and Change Management</b>				
<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
3	C.1	SANDAG should develop specific, outcome-based goals for stages of systems implementations and major updates or upgrades (e.g., system uptime, user adoption rates, ROI, automation targets). These should be tracked through KPIs and used to monitor progress, evaluate success, and guide decision-making throughout the project lifecycle.	<p>Agree</p> <p>SANDAG will research industry best practices and relevant criteria to identify outcome-based goals and supplementary key performance indicators (KPIs) for monitoring and evaluating the effectiveness of system implementation.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>
4	C.2	For future phases, SANDAG should develop a standard methodology to rate implementation milestones by risk and criticality (e.g., high, medium, low). Use this framework to highlight critical-path activities, such as data migration and financial close testing, enabling leadership to allocate resources, escalate delays, and proactively mitigate risks.	<p>Agree</p> <p>SANDAG will ensure that the process includes a requirement to document task-level responsibilities and specific procedures for communicating expectations across departments.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>
5	C.2	For future phases, SANDAG should develop a unified, organization-wide systems implementation project schedule accessible to all stakeholders, consolidating milestone tracking across departments and project managers, ensuring real-time access for all stakeholders to improve visibility and coordination across departments.	<p>Agree</p> <p>SANDAG will develop a project schedule, inclusive of milestone tracking to improve visibility and coordination across departments.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>

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<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
6	C.2	For future phases, SANDAG should establish a centralized digital repository for systems implementation and major updates or upgrade documentation, including milestone status, testing logs, configuration settings, and training materials. This will support continuity, especially during staff transitions, and preserve institutional knowledge.	<p>Agree</p> <p>SANDAG will establish a central digital repository for systems implementation, updates, and upgrades documentation.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>
7	C.2	For future phases, SANDAG should require formal validation of system configurations, such as budget roll-forward settings, prior to go-live for each stage of systems implementation or major module update and upgrade. SANDAG should also consider incorporating milestone-specific testing checklists and sign-off procedures to ensure readiness and prevent post-launch errors that could impact multiple users.	<p>Agree</p> <p>SANDAG will develop and require formal validations of systems configurations prior to go-live for each stage of systems implementation.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>

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<b>Enterprise Resource Planning System and Change Management</b>				
<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
8	C.3	SANDAG should develop, or clearly assign responsibility for developing, training materials tailored to a new system or module's customizations and specific user roles, with defined internal approval workflows and designated ownership for reviewing, updating, and distributing content to ensure consistency and accountability. Training should include hands-on exercises, role-based scenarios, and system walkthroughs to prepare users to operate the system effectively.	<p>Agree</p> <p>SANDAG will develop and/or explore training options (e.g., via vendor scope of work) when introducing or updating systems, modules, etc.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>In coordination with Human Resources Learning and Development</p> <p>August 2026</p>
9	C.3	For future phases, SANDAG should establish a structured post-go-live support framework, including a documented support plan that defines roles, responsibilities, escalation paths, and expected response times for user issues. This framework should also include mechanisms to collect user feedback systematically and analyze recurring issues to identify root causes, allowing SANDAG to use insights from trend analysis to refine training, update documentation, and improve system configurations proactively.	<p>Agree</p> <p>SANDAG will explore the best options for establishing a structured post-go-live support framework, to include user feedback mechanisms, response times for user issues, etc.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>

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<b>Enterprise Resource Planning System and Change Management</b>				
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10	C.4	For future phases, establish a documented process for reviewing, validating, and approving all functional, technical, management, and system requirements prior to vendor release. Require sign-off from relevant stakeholders and maintain version-controlled records to ensure traceability and alignment.	<p>Agree</p> <p>SANDAG will establish a documented process for reviewing, validating, and approving all functional, technical, management, and system requirements prior to vendor release, with relevant stakeholder signoffs.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>
11	C.4	For future implementations or major upgrades and updates, ensure that critical system requirements, especially functional expectations, are explicitly referenced in vendor contracts and amendments. Include provisions for customized modules (e.g., Contract Management) to hold vendors accountable for delivering agreed-upon capabilities.	<p>Agree</p> <p>SANDAG will explore the inclusion of explicitly referencing critical system requirements in vendor contracts and amendments to establish clear vendor expectations by which to hold vendor accountable.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>

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12	C.4	Perform a formal assessment for selection of new systems and new modules against defined requirements to identify gaps, overlaps, and customization needs, and retain evidence of this analysis to support future implementation decisions.	<p>Agree</p> <p>SANDAG is currently focused on its immediate goal to maximize and develop mitigations for existing systems. This foundational work is crucial to stabilizing work processes and minimize interruptions.</p> <p>Once this stabilization is achieved, more advanced options and complementary user need assessments will be explored for future implementation.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>October 2026</p>
13	C.4	For future systems implementations and major updates or upgrades, create a comprehensive Risk Register that documents potential project risks, their impact, triggers, and mitigation strategies. Update the register throughout the project lifecycle and assign ownership for monitoring and escalation to ensure proactive risk management.	<p>Agree</p> <p>For future projects, SANDAG will develop a risk register documenting key risk, mitigation strategies, etc., and will require the risk register to be updated and monitored.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>

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Implementation Planning and Execution				
Action Point	Ref No.	Recommendations	Management Corrective Action Plan (CAP)	Responsible Owner(s) and Target Completion Date
1	D.1	For future systems implementation or major module updates and upgrades, develop a formal process to map all test plans, data validation, end-to-end, and user acceptance, to documented functional requirements. This ensures comprehensive coverage of expected system functions and supports traceability from requirement to test outcome.	<p>Agree</p> <p>SANDAG is currently reviewing and refining its IT Change Management Process to align with systems development life cycle best practices.</p> <p>SANDAG will ensure that the process includes a process to map all test plans, data validation, end-to-end, and user acceptance and a mechanism to ensure that the information is consistently documented.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>
2	D.1	For future systems implementation or major module updates and upgrades, clearly define testing roles across departments in project planning materials, including responsibilities for validating both numerical and non-numerical data. Require formal review and approval of test plans to confirm they meet organizational needs.	<p>Agree</p> <p>SANDAG is currently reviewing and refining its IT Change Management Process to align with systems development life cycle best practices.</p> <p>SANDAG will ensure that the process includes clearly defined roles and responsibilities for validating data and reviewing and approving test plans.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>

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<b>Implementation Planning and Execution</b>				
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3	D.1	For future systems implementation or major module updates and upgrades, ensure end-to-end testing covers all critical business processes, not just a subset. If certain workflows are excluded, document the rationale and assess potential downstream impacts to system performance and integration.	<p>Agree</p> <p>SANDAG is currently reviewing and refining its IT Change Management Process to align with systems development life cycle best practices.</p> <p>SANDAG will ensure that the process includes clear direction to test all critical business processes and the requirement to document the rationale behind excluded testing.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>
4	D.1	For future systems implementation or major module updates and upgrades, SANDAG should increase the number and variety of test cases related to reporting capabilities to validate that the system can generate accurate, timely, and relevant outputs across departments.	<p>Agree</p> <p>SANDAG is currently reviewing and refining its IT Change Management Process to align with systems development life cycle best practices.</p> <p>SANDAG will require a variety of use cases to test the accuracy, timeliness, and relevance of system generated outputs. SANDAG will include a methodology for determining the number and type of cases to test.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>

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5	D.2	SANDAG should create a comprehensive inventory of Information Technology General Controls applicable to the Tyler ERP system. This should include access controls, change management procedures, system monitoring protocols, and recovery mechanisms, aligned with organizational risk appetite and strategic objectives.	<p>Agree</p> <p>SANDAG will develop an internal controls framework for IT General Controls (ITGCs). processes. The framework will include risks, controls, mitigations, an assessment of residual risks, and responsible parties. It will also focus on, but not be limited to, access controls, change management procedures, etc.</p> <p>SANDAG will assess whether the ITGC framework will be completed internally or via consultant.</p>	<p>Director of Internal Controls and Director Data Science and Business Information and Technology Services (BITS)</p> <p>July 2026</p>
6	D.2	SANDAG should perform a detailed review of Tyler's SOC 1 and SOC 2 reports to identify relevant Complementary User Entity Controls (CUECs). Document and implement these controls to support the integrity and security of financial reporting and system operations.	<p>Agree</p> <p>SANDAG will review Tyler's SOC 1 and SOC 2 reports.</p> <p>Upon review, SANDAG will: 1) include relevant CUECs in its ITGCs framework; and 2) incorporate the additions into applicable policies and procedures to assist with implementation.</p>	<p>Director of Internal Controls and Director Data Science and Business Information and Technology Services (BITS)</p> <p>July 2026</p>

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<b>Implementation Planning and Execution</b>				
<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
7	D.2	SANDAG should implement a formal user access review process prior to system go-live to ensure access rights are appropriate for each user's role. Revoke or adjust elevated access granted during development or testing to prevent unauthorized use in production.	<p>Agree</p> <p>SANDAG will incorporate the principle of least privilege in its implementation planning and execution to ensure that access granted is the minimum necessary for users to accomplish their respective tasks.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>April 2026</p>
8	D.3	For future systems implementation or major module updates and upgrades, SANDAG should establish a formal process to align each Go-Live checklist item with documented functional requirements, ensuring readiness tasks directly support expected system capabilities and business needs.	<p>Agree</p> <p>SANDAG will explore ways to ensure that go-live checklists align with functional requirements so that tasks, systems capabilities, and business needs are all cohesively supported.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>
9	D.3	For future systems implementation or major module updates and upgrades, require written rationale for any checklist items marked "not applicable" or "in progress." Include impact assessments and approval from relevant stakeholders to ensure exclusions are appropriate and do not compromise system functionality.	<p>Agree</p> <p>SANDAG will require written rationale for checklist items marked as not applicable or in progress, as well as written approval from relevant stakeholders to review and validate the rationale.</p>	<p>Director Data Science and Business Information and Technology Services (BITS)</p> <p>September 2026</p>

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<b>Implementation Planning and Execution</b>				
<b>Action Point</b>	<b>Ref No.</b>	<b>Recommendations</b>	<b>Management Corrective Action Plan (CAP)</b>	<b>Responsible Owner(s) and Target Completion Date</b>
10	D.3	For incomplete functions at Go-Live of systems implementation or major module updates and upgrades, create detailed workaround plans that include testing protocols, integration steps, and validation of outputs. Document these plans and confirm they are reviewed and approved before deployment.	Agree  For incomplete functions upon go-live implementation or major module updates, SANDAG will develop detailed workaround plans, require documentation of the plans, and require review and approval before deployment.	Director Data Science and Business Information and Technology Services (BITS)  September 2026