

Audit Recommendation and Corrective Action Plan Quarterly Status Update

SANDAG Audit Committee
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Recommendation Status Definitions

Recommendation Status	Definition
Pending	Implementation has not begun, or management has not provided evidence to OIPA for validation.
Partly Implemented	Some elements of the recommendation have been satisfied, but additional work remains.
Implemented	OIPA has verified the satisfactory implementation of the recommendation.
Dismissed	The recommendation is no longer relevant; implementation is not feasible.

- **Planned Implementation Date** – Original date for implementation provided by Management when audit/investigation issued.
- **Revised Implementation Date** – Management revised the original date for implementation.

Implementation dates listed in **blue** represent revised dates provided by SANDAG Management. The original planned implementation dates are noted below the revised dates with a strikethrough (example ~~12/31/2024~~).

Implementation dates listed in **red** represent dates that are past due.

Recommendation Status Summary

FY Issued	Total Issued	Open*	Implemented	Dismissed	Percent Complete**
2022-23	98	41	48	9	58%
2023-24	23	8	15	-	65%
2024-25	32	25	7	-	22%
2025-26	26	24	2	-	8%
Grand Total	179	98	72	9	45%

* Open recommendations includes Pending and Partly Implemented recommendations.

** Percent Complete = (Implemented + Dismissed) ÷ Total Issued.

Note: Ten recommendations previously reported were incorrectly categorized in the wrong fiscal year. Accordingly, FY 2023-24 was increased and 2024-25 was decreased to reflect the correction.

Results of Recommendations Reviewed in Q1

Evidence Received	Implemented	Partly Implemented	Pending	Total Reviewed
4 th Quarter 2025	1	6	1	8
1 st Quarter 2026	3	2	-	5
Total**	4	8	1	13

* See Appendix A for detail.

Recommendations with Date Revisions*

Audit Title	Recommendations With Date Revisions
Contracts and Procurement Operational and System Control Audit (Part I)	10
Contracts and Procurement Operational and System Control Audit (Part II)	2
Continuous Auditing Operations and Process System Control Review – Purchase Cards	1
Operational Process and System Control Audit for Board Member and Employee Travel and Other Business-Related Reimbursements	2
Performance Audit of SANDAG’s Sole Source Procurement Process	9
Whistleblower Investigation Report on SANDAG’s New Tolling Back-Office System Implementation	1
Total Recommendations**	25

* Management requested to revise the planned implementation dates for these CAPs. The CAPs were originally scheduled to be implemented in Q1 FY 2026.

** See Appendix B for detail.

Recommendations Due in Q2 FY 2026

30-60-90 Day Outlook

Responsible Owner	Oct 2025	Nov 2025	Dec 2025
Accounting and Finance & Toll Operations		4	
Contracts and Procurement	22	1	22
Contracts and Procurement & Internal Controls			2
Contracts and Procurement & Office of General Counsel			2
Contracts and Procurement & Program Project Management			1
Executive Office			2
Human Resources	2		
Human Resources & Accounting and Finance	1	1	
Internal Controls	1	3	
Internal Controls & Office of General Counsel			1
Total Recommendations	26	9	30

Appendix A – Recommendations Reviewed

Audit Name	No.	Recommendation	Responsible Department	Planned Date*	Status
Contracts and Procurement Operational and System Control Audit (Part I) October 2022	5.1	Create a formal standard operating procedures and provide training on completing a record of negotiations to both project managers and contract analysts.	Contracts and Procurement	11/30/2025 12/31/2024	Partly Implemented
Contracts and Procurement Operational and System Control Audit (Part II) May 2023	7.2	Create standard operating procedures for project management roles that clearly explain responsibilities to ensure projects are being completed on time and in an efficient manner. This should include assessing and documenting the consultant's completion of deliverables, milestones, and whether they meet the contract requirements and agency needs or not.		Implemented	
Continuous Auditing Operational Process and System Control Review - Purchase Cards October 2023	1.2	Review all professional memberships and monthly/annual subscription fees paid for by purchase cards to ensure none are set to automatically renew.	Human Resources & Accounting and Finance	11/30/2025 12/31/2023	Partly Implemented
Performance Audit of SANDAG's Sole Source Procurement Process May 2025	3.5	The Board of Directors and the Audit Committee approve the following for inclusion in OIPA's Fiscal Year 25-26 Audit Plan: 1. Assess planned capital project outcomes for fiscal year 2025-26. 2. In December 2025, initiate a six-month review of sole source justifications to evaluate progress.	Office of Independent Performance Auditor		Implemented
Performance Audit of SANDAG's Contract and Project Management over HNTB September 2025	1.4	Update contract templates (such as the On-Call Firm Recommendation Forms) to clearly indicate whether work is standalone or part of a multi-phase project.	Contracts and Procurement		Implemented
	2.4	Establish a formal project management process for monitoring project schedules, including periodic updates and milestone tracking.	Program Project Management		Implemented

* Upon OIPA's determination that the CAP status remained as Pending or Partly Implemented, Management provided a revised date.

Appendix A – Recommendations Reviewed

Audit Name	No.	Recommendation	Responsible Department	Planned Date	Status
Investigation Report on SANDAG's SR 125 Toll Operations March 2024	3.2	Reconcile the data from the KAPSCH system to ETAN's BOS daily to ensure accurate transmission and posting of customer account data to ETAN's Fastlane.	Accounting and Finance & Toll Operations	11/30/2025 8/31/2025 12/31/2024	Partly Implemented
	5.7	Immediately implement daily monitoring to ensure all systems are operating and communicating with each other correctly.		11/30/2025 10/31/2024	Partly Implemented
	6.8	SANDAG evaluates with Deloitte and A-to-Be if the DMV Hold Functionality can be implemented sooner.		11/30/2025 4/8/2024	Partly Implemented
	7.9	Implement a daily reconciliation process between the KAPSCH roadway system and the ETAN Fastlane system be put in place immediately to verify the accuracy of customer charges going forward.		11/30/2025 8/31/2025 4/8/2024	Partly Implemented
Whistleblower Investigation Report on SANDAG's New Tolling Back-Office System Implementation October 2024	1	Clearly define senior management roles, responsibilities and expectations. Special project assignments must also have clearly defined roles, responsibilities and expectations.	Internal Controls	11/30/2025	Partly Implemented
	2	Require key senior leadership positions have the requisite project management skills to effectively manage large-scale internal projects. The process should align with best practices, include proper certifications, and result in a thorough analysis of internal and external capacity including technical expertise, documented risk assessments, and demonstrated alignment with SANDAG's core responsibilities.		11/30/2025	Partly Implemented
	4	Require system requirements be developed for IT system solutions and all stakeholders are formally included in the process. Project planning must include the requisite time to accomplish this.		11/30/2025	Pending

* Upon OIPA's determination that the CAP status remained as Pending or Partly Implemented, Management provided a revised date.

Appendix B – CAPs with Revised Dates

Audit Name	No.	Recommendation	Responsible Department	Planned Date	Status
Contracts and Procurement Operational and System Control Audit (Part I) October 2022	4.2	Provide training and step-by-step standard operating procedures to staff for replacement CMS and submitting all types of procurement requests.	Contracts and Procurement	10/30/2025 9/30/2025 12/31/2024	Pending
	4.3	Ensure staff can query to identify the contractor and subcontractor efficiently and easily within the replacement CMS without going to various other platforms or documents.		10/30/2025 9/30/2025 9/30/2023	Pending
	4.4	Ensure contracts and contract-related records and documents are stored in one easily accessible location.		10/30/2025 9/30/2025 12/31/2024	Partly Implemented
	4.7	Identify required fields in the replacement CMS and require all mandatory fields to be completed.		10/30/2025 9/30/2025 9/30/2023	Pending
	4.8	Provide staff certain access to the replacement CMS, based on their job duties.		10/30/2025 9/30/2025 9/30/2023	Pending
	4.9	Ensure the replacement CMS can provide an audit trail for review.		10/30/2025 9/30/2025 1/2/2024	Pending
	4.10	Ensure that more than one employee, but preferably more than three, have an in-depth knowledge, training, and skill in the replacement CMS and should be able to provide reports to auditors and/or other authorized recipients.		10/30/2025 9/30/2025 12/31/2024	Pending
	6.4	Reorganize contract and sole source records in one centralized location.		10/30/2025 9/30/2025	Partly Implemented
	6.6	Ensure required documents are saved as separate files and labeled accordingly, such as saving a sole source justification form as such.		10/30/2025 9/30/2025	Pending

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Audit Name	No.	Recommendation	Responsible Department	Planned Date	Status
Contracts and Procurement Operational and System Control Audit (Part I) October 2022	7.4	Review the sole source policies, processes, and procedures to ensure a clear understanding of allowed sole sources, limitations around sole sources, and the review and approval requirements of sole sources.	Contracts and Procurement	10/30/2025 9/30/2025	Pending
Contracts and Procurement Operational and System Control Audit (Part II) May 2023	1.4-2	Ensure the replacement CMS can provide an audit trail for review.	Contracts and Procurement	10/30/2025 9/30/2025 5/1/2023	Pending
	2.2	Create policies and standard operating procedures to ensure sole sources are limited and are thoroughly being reviewed and analyzed to ensure potential risks are mitigated.		10/30/2025 9/30/2025	Partly Implemented
Continuous Auditing Operational Process and System Control Review - Purchase Cards October 2023	2.2	Provide training to cardholders, project managers, finance staff, and any other relevant staff on the Hospitality and Events Policy.	Human Resources & Finance	10/30/2025 9/30/2025 11/30/2024	Pending
Operational Process and System Control Audit for Board Member and Employee Travel and Other Business-Related Reimbursements December 2023	1.1	Create two separate documents to replace the current SANDAG travel form. The Travel Request to approve travel should be documented separately from the Travel Expenses Report to reimburse travel.	Human Resources	10/30/2025 9/30/2025 12/31/2024	Pending
	1.2	Provide training to executive assistants and other staff who process or submit Travel Requests and/or Travel Expenses Reports to ensure they are familiar with the requirements for approval and/or the requirements for reimbursement and supporting documentation.		10/30/2025 9/30/2025 12/31/2024	Pending
Performance Audit of SANDAG's Sole Source Procurement Process May 2025	1.1	For the nine (9) missing contracts, document their absence in the contract file and do not allow future sole source follow-on work for the project.	Contracts and Procurement	10/30/2025 8/31/2025	Pending
	1.2	Revise the process to document how each contract is awarded (contract history) and ensure contract documentation is clear, comprehensive, complete and readily accessible.		10/30/2025 9/30/2025	Pending

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Audit Name	No.	Recommendation	Responsible Department	Planned Date	Status
Performance Audit of SANDAG's Sole Source Procurement Process May 2025	1.3	Develop a procedure to identify and document the contract award method for past projects to ensure follow-on work is adequately validated.	Contracts and Procurement	10/30/2025 9/30/2025	Pending
	1.4	Create criteria for evaluating if the sole source economy and efficiency justification is reasonable, including but not limited to: <ul style="list-style-type: none"> • Steps to identify if a prior contract was multi-phase. • Steps to identify if the new contract's scope of work was included in the original, competitively awarded contract. 		10/30/2025 9/30/2025	Pending
	3.2	Identify data needed to track sole source volume and dollar amounts in SANDAG's system(s) responsible for tracking contract data, and ensure system(s) are configured to require necessary data, including but not limited to: <ul style="list-style-type: none"> • Amendment Effective Date • Contract type • Dollar value of amendments and where they are stored • Procurement method 		10/30/2025 9/30/2025	Pending
	3.3	Update the Procurement Manual to include and define all possible contract types that are awarded.		10/30/2025 9/30/2025	Pending
	3.4	Reconcile the contract types in CMS with those defined in the Procurement Manual and configure CMS to allow only the contract types defined in the manual.		10/30/2025. 9/30/2025	Pending
	4.1	Update policy to require contract staff evaluate and document the need to sole source contract amendments.		10/30/2025 9/30/2025	Pending
	4.4	Update procurement policy to require that contracts include the maximum dollar value, as required.		10/30/2025 9/30/2025	Pending

Appendix B – CAPs with Revised Dates

Audit Name	No.	Recommendation	Responsible Department	Planned Date	Status
Whistleblower Investigation Report on SANDAG's New Tolling Back-Office System Implementation October 2024	3	Revise sole source policies and procedures for IT to preclude sole source awards except for demonstrated proprietary, compatibility or unique functionality issues only. An IT system implementation would not qualify.	Internal Controls	10/30/2025 9/30/2025	Partly Implemented

Questions?