

April 17, 2026

Independent Taxpayer Oversight Committee Report on Initial Findings and Recommendations of the FY 2025 TransNet Fiscal and Compliance Audits

Overview

In accordance with the TransNet Extension Ordinance, the TransNet Independent Taxpayer Oversight Committee (ITOC) has the responsibility to conduct the annual fiscal and compliance audits of agencies that receive TransNet funds. The TransNet Extension Ordinance requires the ITOC to share the initial audit findings and its recommendations with the Transportation Committee 60 days prior to its release to resolve any inconsistencies and technical issues.

Key Considerations

Davis Farr, LLP, performed the audit of the FY 2025 TransNet sales tax revenue recipient agencies using the agreed-upon procedures (AUP) approved by the ITOC at its July 9, 2025, meeting. These AUP include requirements specific to the TransNet Extension Ordinance and SANDAG [Board Policy No. 031](#). Attachment 1 includes both the independent auditor's summary of results of the draft AUP and recipient agency FY 2025 TransNet draft AUP reports.

Next Steps

In accordance with the fiscal and compliance audit procedures outlined in Board Policy No. 031, proposed dates for upcoming audit activities are discussed below:

- **April 2026:** The Auditors issued a report of compliance audit results and presented it to the ITOC at its April 8, 2026, meeting.
- **June 16, 2026:** Earliest date the ITOC could accept and issue the final compliance audit results (60 days following the report of the initial draft audit findings to the Transportation Committee on April 17).
- **July 2026:** Acceptance of the final summary of results of the AUP for issuance is scheduled for ITOC consideration at its July 8, 2026, meeting. The ITOC Annual Report, which includes results of the annual compliance audit, is scheduled for presentation to the Board of Directors at their July 24, 2026, meeting.

Dawn Vettese, Chief Financial Officer

Attachment: 1. FY 2025 TransNet and TransNet Extension Summary of Results

Action: Discussion

The Transportation Committee is asked to review the Independent Taxpayers Oversight Committee's draft independent fiscal auditor's report for any inconsistencies and technical issues.

Fiscal Impact:

The annual TransNet fiscal and compliance audits are conducted by the Independent Taxpayers Oversight Committee and its independent fiscal auditor and funded through Overall Work Program Element No. 1500200 in the FY 2026 Program Budget.

Schedule/Scope Impact:

The FY 2025 TransNet Fiscal and Compliance Audit is an annual review of all agencies that receive TransNet funding.