

September 10, 2025

## FY 2018, FY 2021, and FY 2024 TransNet Triennial Performance Audits Recommendations: Quarterly Update Report

### Overview

The ITOC accepted its fourth, fifth, and sixth TransNet Triennial Performance Audits (TPA) as follows:

- [FY 2018 TPA](#) (fourth audit) on July 11, 2018
- [FY 2021 TPA](#) (fifth audit) on June 9, 2021
- [FY 2024 TPA](#) (sixth audit) on June 12, 2024

### Key Considerations

As of May 14, 2025, staff has completed all 18 recommendations from the FY 2015 TPA. Previously, Quarterly reports included a cumulative total of 110 recommendations. Going forward, recommendations will only be included from the TPAs that still have items marked as “In Progress.” Based on this updated approach, the revised total number of recommendations is 92.

Of the 92 audit recommendations, 62 have been fully implemented and 30 are currently in progress as shown in Attachment 2. All recommendations have been initiated and are actively being addressed. This past quarter, one recommendation from the FY 2024 TPA was completed.

To help streamline the closeout process, staff submits completion forms as standalone items for ITOC’s review and approval as soon as TPA recommendations are fulfilled. As part of this effort, completion forms for three complete recommendations are included under Item No. 3 on ITOC’s September agenda. These recommendations will be reflected as “complete” in the next quarterly update, upon ITOC’s review and approval. Additionally, one completion form was presented to ITOC in June 2025 ([agenda Item No. 3](#)), and it is now listed under the Recently Completed Matrix in Attachment 3.

### ***FY 2018 TransNet Triennial Performance Audit***

The FY 2018 TPA audit affirmed that the goals of TransNet remain well-supported by solid practices in key areas such as capital construction, Environmental Mitigation Program activities, and transit services. The audit also identified opportunities for improvement, including more robust monitoring of economic conditions that could affect sales tax revenues and project costs, as well as the development of a performance framework to evaluate progress toward Ordinance goals.

The FY 2018 TPA included 26 primary recommendations, which collectively comprised 42 individual action items. To date, staff has completed 33 action items, with the remaining nine actively being addressed.

### Action: **Information**

Staff will present an overview of progress made to date on recommendations from the FY 2018, FY 2021, and FY 2024 TransNet Triennial Performance Audit (fourth, fifth, and sixth Triennial Performance Audits).

### Fiscal Impact:

The TransNet Triennial Performance Audits are conducted by the ITOC and its independent performance auditor and funded through Overall Work Program Project No. 1500200 in the SANDAG Program Budget.

### Schedule/Scope Impact:

TransNet Triennial Performance Audits include a review of all TransNet-recipient agencies involved in implementation of TransNet-funded projects and programs. The audit considers changes to contracting, construction, permitting, and related processes that could improve the efficiency and effectiveness of TransNet spending.

### ***FY 2021 TransNet Triennial Performance Audit***

The FY 2021 TPA concluded that SANDAG successfully completed many of the planned Major Corridor projects in alignment with the TransNet Ordinance. The audit found that SANDAG remained compliant with TransNet provisions, demonstrated a strong commitment to transparency, and continued to strengthen its financial models and internal controls. The audit also identified areas for improvement, including enhanced tracking and reporting against Ordinance goals, improved quality control documentation, and increased Board collaboration on Bike Early Action Program permitting challenges, among others.

The FY 2021 TPA included 26 recommendations. To date, staff has completed 15, with the remaining 11 recommendations actively being addressed.

### ***FY 2024 TransNet Triennial Performance Audit***

The FY 2024 TPA found that SANDAG has reported completing approximately one-third of the major corridor projects identified in the TransNet Ordinance. The audit recommended that SANDAG provide clearer documentation demonstrating how projects fulfill Ordinance commitments. One key recommendation included amending the TransNet Ordinance to align more closely with the most recent Regional Plan. Additionally, the audit emphasized the need for stronger action in implementing prior audit recommendations.

The FY 2024 TPA included 24 recommendations. To date, staff has completed 14, with the remaining 10 recommendations currently in progress. Since the last update to the ITOC, staff has completed one additional recommendation: No. 9, as shown in Attachment 3.

### **Next Steps**

The next quarterly update on the audit implementation status is expected to be provided to the ITOC in November 2025.

### ***Susan Huntington, Director of Financial Planning, Budgets, and Grants***

- Attachments:
1. Implementation of TPA Recommendations: Progress Update Charts
  2. Implementation of TPA Recommendations: Progress Update Matrix – In-Progress
  3. Implementation of TPA Recommendations: Progress Update Matrix – Recently Completed