## SANDAG Fiscal Year Ending 2021 – Five Prior Year Audit Recommendations and Corrective Action Plans - External/Internal Reports

<table>
<thead>
<tr>
<th>Audit Report Title/Issue/Recommendation</th>
<th>Count &amp; Priority</th>
<th>Status</th>
<th>Corrective Action</th>
<th>Date of Implementation</th>
<th>Planned Implementation Date</th>
<th>Recom_Implementation Date</th>
<th>OIPA Tested</th>
<th>Date to AC</th>
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<td><strong>EXTERNAL AUDITS</strong></td>
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<tr>
<td>Clearly identify whether the remaining TransNet Ordinance projects will be part of the 2021 Regional Transportation Plan, before the SANDAG Board approves the 2021 Regional Transportation Plan.</td>
<td>Critical 1</td>
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<tr>
<td>Develop regular crosswalks to summarize and compare planned major corridor project portfolios in the TransNet Ordinance with current implementation status, to provide regular reporting on the status of remaining TransNet projects to provide the Board and ITOC.</td>
<td>High 1</td>
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<td>Staff will develop a risk-based approach for review of all CIPs during the annual Plan of Finance Changes update.</td>
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<tr>
<td>Enhance organization of Peer Review Process to simplify and provide comprehensive reporting to the Board and ITOC.</td>
<td>Medium 1</td>
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<td>Staff will continue working with SANDAG to improve Peer Review Process Documentation.</td>
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<tr>
<td>Clearly describe to the Board the Quality Assurance/Quality Control sampling methodology employed and results to better demonstrate QA/QC results and methods.</td>
<td>Low 1</td>
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<td>Continuously evaluate efforts to formalize and pursue a maturity system of Quality Assurance/Quality Control policies and procedures as well as an assessment of the implementation of the policies and procedures.</td>
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<td>SANDAG focused on TransNet Ordinance Compliance and Transparency, but it could Better Demonstrate Accountability</td>
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<tr>
<td>Clearly and comprehensively report on actual progress and accomplishments (back through against the TransNet Ordinance on a period, regular basis—such as quarterly or annually— for project scope, costs, schedule, accomplishments, and outcomes achieved against project).</td>
<td>Critical 1</td>
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<td>Implement regular crosswalks to summarize and compare planned major corridor project portfolios in the TransNet Ordinance with current implementation status, to provide regular reporting on the status of remaining TransNet projects to provide the Board and ITOC.</td>
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<tr>
<td>AB 805 Weighted Voting Did not Significantly Change Delivery of TransNet Ordinance Programs and Projects - No recommendations in this finding.</td>
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<td>Enhancements could be made in SANDAG's Regional Safety Planning Efforts, although Risks &amp; Protection Plan is Improved</td>
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**Legend:**
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- Blue Circle
- Green Circle
- Yellow Circle
Report Issue Date | Audit Report Title/Issue/Recommendation | Count | No. of Times Recommended | Status | Corrective Action | Date of Implementation | Planned Implementation Date | OFF Tin | Date to AC | Recommendation Owner | Recommendation Dept |
---|---|---|---|---|---|---|---|---|---|---|---|---|
36 | Consider the benefits of identifying a regional safety planning coordinating to synchronize safety efforts of the region and regularly communicate progress on safety goals to the Board | Medium | 1 | | Staff will prepare a presentation to the Board describing the potential benefits of and the plan to roll out a regional safety planning coordinating | | | | | Phil Trom | |
37 | Consider developing a regional safety plan that complements Caltrans' Statewide Plan and details SANDAG's roles, goals, objectives, and strategies to address regional trends, road conditions, and driving behaviors. | Medium | 1 | | | | | | | Phil Trom | |
38 | Consider ways to encourage state and local emergency, planning, and response entities to include SANDAG in discussions and local related to emergency capacity and local regional transportation planning. | Medium | 1 | | | | | | | Phil Trom | |
40 | Final Delivery Report Was Not Submitted Timely in Proposition 1B Bond Program 0000020089/0013000132, and 1112000222/1113000137 | Critical | 1 | | SANDAG will develop a revised quarterly status reports on project delivery and will continue to make updates quarterly | | | | Linda Culp | |
43 | Explore options and feasibility of moving ITOC candidate screening and selection process to a staggered delivery. | High | 1 | SANDAG has developed an initial crosswalk as part of this audit process and will continue to make updates quarterly | | | | Linda Culp | |
44 | Modify the TransNet Dashboard data to improve situational awareness of project delivery status. | Medium | 1 | SANDAG will continue utilizing this additional data in its internal communications to members of the Board | | | | Linda Culp | |
45 | Provide extra scrutiny on less certain Regional Bikeway Program project phases such as preliminary design, right-of-way, utility coordination, and construction documents, to better identify where potential capacity and delays occur and may need to be addressed. | High | 1 | SANDAG will continue working with the Board to better identify and address potential capacity and delays in project delivery | | | | Linda Culp | |
46 | Provide extra scrutiny on less certain Regional Bikeway Program project phases such as preliminary design, right-of-way, utility coordination, and construction documents, to better identify where potential capacity and delays occur and may need to be addressed. | High | 1 | SANDAG will continue working with the Board to better identify and address potential capacity and delays in project delivery | | | | Linda Culp | |
48 | Review the project agreements and program guidelines to ensure a clear understanding of the requirements. | Low | 1 | | | | | | | Phil Trom | |
49 | Ensure that future FDRs address all project benefits/outcomes, including comparable pre- and post metrics. | Low | 1 | | | | | | | Phil Trom | |
53 | Consider the benefits of identifying a regional safety planning coordinating to synchronize safety efforts of the region and regularly communicate progress on safety goals to the Board | Medium | 1 | | Staff will prepare a presentation to the Board describing the potential benefits of and the plan to roll out a regional safety planning coordinating | | | | Phil Trom | |
55 | Final Delivery Report Was Not Submitted Timely in Proposition 1B Bond Program 0000020089/0013000132, and 1112000222/1113000137 | Critical | 1 | | SANDAG will develop a revised quarterly status reports on project delivery and will continue to make updates quarterly | | | | Linda Culp | |
56 | The Board will be provided with a copy of this report for review and comment before the next Board meeting. | Low | 1 | | | | | | | Chelsea Gonzales | |
59 | Incorporate existing conflict of interest policy guidelines from ITDC new member on-boarding training into policies for all members to ensure that members who need to recuse themselves from certain decisions because of potential perceived conflicts of interest. | High | 1 | Recruitment materials will be updated to incorporate conflict of interest procedures | | | | Alana zur Nieden | |
61 | Modify the Transfer Extension Ordinance language to be consistent with the version used for all transfers regardless of whether a transfer plan or the ordinaries is to occur. | Medium | 1 | | | | | | | Alana zur Nieden | |
63 | Consider expanding the ITDC qualifications to include knowledge of emerging topics (e.g., transportation demand management, transit-oriented development, corridor management, and traffic management) and the ability to identify opportunities to improve project delivery. | Low | 1 | | | | | | | Alana zur Nieden | |
65 | Explore options and feasibility of moving ITOC candidate screening and selection process outside of the SANDAG Board to improve appointment transparency and minimize any perceived conflicts of interest. | Low | 1 | | | | | | | Alana zur Nieden | |
66 | Consider the challenges of identifying and addressing metrics to evaluate and modify bikeway program projects and funding constraints and opportunities to support future bikeway program initiatives. | High | 1 | | | | | | | Alana zur Nieden | |
67 | Consider expanding the ITDC qualifications to include knowledge of emerging topics (e.g., transportation demand management, transit-oriented development, corridor management, and traffic management) and the ability to identify opportunities to improve project delivery. | Low | 1 | | | | | | | Alana zur Nieden | |
68 | Consider expanding the ITDC qualifications to include knowledge of emerging topics (e.g., transportation demand management, transit-oriented development, corridor management, and traffic management) and the ability to identify opportunities to improve project delivery. | Low | 1 | | | | | | | Alana zur Nieden | |
69 | Consider expanding the ITDC qualifications to include knowledge of emerging topics (e.g., transportation demand management, transit-oriented development, corridor management, and traffic management) and the ability to identify opportunities to improve project delivery. | Low | 1 | | | | | | | Alana zur Nieden | 

**March 2021**

**Final Delivery Report Was Not Submitted Timely**

1. Review the project agreements and program guidelines to ensure a clear understanding of the requirements.
2. Ensure that future FDRs address all project benefits/outcomes, including comparable pre- and post metrics.

**Improvements Needed in Reporting Project Benefits/Outcomes**

1. Review the project agreements and program guidelines to ensure a clear understanding of the requirements.
2. Ensure that future FDRs address all project benefits/outcomes, including comparable pre- and post metrics.
3. Develop a process to track and maintain documentation to support project benefits/outcomes reported in FDRs.
Observation 1 088-012-01: Quality Organization Chart: Author observed the organization chart is outdated.

Observation 2 088-013-02: Interdisciplinary Check (QP-12): The documents received for the EA task transparency of the individual stakeholder and their qualifications.

Observation 3 088-013-03: HNTB Audit: The CF 12 provides a systematic approach to conducting a comprehensive audit of vendor systems and separate visual check step.

Observation 4 088-013-04: HNTB Audit: There is no checklist included to document any question asked, items verified, deliverables reviewed, etc. except that it was in accordance with “110 Quality Assurance Plan (QAP), Revision 1, dated September 19, 2019; Audit No. MCCT-025.”

Observation 5 088-013-05: Visual Check (QP-11): There is no checklist included to document any question asked, items verified, deliverables reviewed, etc. except that it was in accordance with “110 Quality Assurance Plan (QAP), Revision 1, dated September 19, 2019; Audit No. MCCT-025.”

Observation 6 088-013-06: Discipline QC Check (QP-06): A Quality Control Audit (QCA) was performed as required per COC and the CQCP.

Observation 7 088-013-07: Interdisciplinary Check (QP-08): The documents received for the IDR check set. With no comments, it is difficult to verify the completeness of the IDR that was performed.

Observation 8 088-013-08: Visual Check (QP-11): The reviewer recommends updating the organization chart.

Observation 9 088-013-09: Discipline QC Check (QP-06): Quality Control Audit (QCA) was performed as required per COC and the CQCP.

Observation 10 088-013-10: Interdisciplinary Check (QP-08): The documents received for the IDR check set. With no comments, it is difficult to verify the completeness of the IDR that was performed.

Observation 11 088-013-11: Discipline QC Check (QP-06): A Quality Control Audit (QCA) was performed as required per COC and the CQCP.

Observation 12 088-013-12: Visual Check (QP-11): The documents received for the IDR check set. With no comments, it is difficult to verify the completeness of the IDR that was performed.

Observation 13 088-013-13: CMC Self-Auditing and QA Surveillances: The reviewer found no record that self-audit or visual check was performed as required per QF 13.

Observation 14 088-013-14: HNTB Audit: There is no checklist included to document any question asked, items verified, deliverables reviewed, etc. except that it was in accordance with “110 Quality Assurance Plan (QAP), Revision 1, dated September 19, 2019; Audit No. MCCT-025.”

Observation 15 088-013-15: Discipline QC Check (QP-06): Discipline QC Check (QP-06) and QA Review (QP-12) performed with the separate visual check step.

Observation 16 088-013-16: Visual Check (QP-11): The documents received for the IDR check set. With no comments, it is difficult to verify the completeness of the IDR that was performed.

Observation 17 088-013-17: Discipline QC Check (QP-06): A Quality Control Audit (QCA) was performed as required per COC and the CQCP.
ITOC should direct SANDAG to monitor and report on the impacts of changing transportation technologies on the transportation network and future TransNet projects.

Normal 1

SANDAG will include technology assumptions in the development of revenue constrained transportation scenarios for the 2019 Regional Plan.
### Findings

#### Finding 1

**To enhance delivery of the major corridor capital construction program and track highway performance.**

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<tr>
<th>Key</th>
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<th>Planned Implementation Date</th>
<th>Date Elapsed</th>
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<td>José Nuñez</td>
<td>Ray Trupuer</td>
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<td>2020</td>
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<td>2020</td>
<td>Michelle Smith</td>
<td>TransNet Planning</td>
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#### Finding 2

**To better measure how transportation improvements meet TransNet Program goals and what has been accomplished with the taxpayer’s investment.**

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<tr>
<th>Key</th>
<th>Status</th>
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<th>Planned Implementation Date</th>
<th>Date Elapsed</th>
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<td>2020</td>
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<td>Planning</td>
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#### Finding 3

**To develop a tool to capture project outputs and track TransNet performance metrics.**

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<tr>
<td>1</td>
<td>Key</td>
<td>2019</td>
<td>TBD</td>
<td>2020</td>
<td>Rachel Kennedy</td>
<td>Planning</td>
</tr>
<tr>
<td>2</td>
<td>Key</td>
<td>2019</td>
<td>TBD</td>
<td>2020</td>
<td>Ray Trupuer</td>
<td>TransNet Operations</td>
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#### Finding 4

**To develop a tool to capture project outputs and track TransNet performance metrics.**

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<tr>
<td>1</td>
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<td>TBD</td>
<td>2020</td>
<td>Ray Trupuer</td>
<td>TransNet Operations</td>
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<td>2</td>
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<td>2019</td>
<td>TBD</td>
<td>2020</td>
<td>Alex Estrada</td>
<td>Operations</td>
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### Notes

- SANDAG staff should work with MTS and NCTD to develop or identify a new method for incorporating measures of project success into the TransNet Evaluation Framework. This may include developing a new tool to capture performance data for specific projects. If no such tool is currently in use by NCTD or MTS, SANDAG staff will request SANDAG to develop a tool to capture performance data for specific projects. If no such tool is currently in use by NCTD or MTS, SANDAG staff will request SANDAG to develop a tool to capture performance data for specific projects.

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127 3 To identify potential for mixes to be captured in the framework of environmental mitigation measures.

128 1 To further understand the importance of the Regional Bikeway Program to ensure its smooth execution.

129 1 To address the need for an integrated approach to the implementation of the framework.

130 4 The MOA has expired, but funding under the MOA will continue to be available for FY 2019. The MOA will be reviewed and revised for the next fiscal year. The MOA is expected to be completed by the end of FY 2020.

131 3 SANDAG should request the SANDAG Board to work with the operators to study other options to increase ridership and revenues.

132 3 SANDAG should request the SANDAG Board to work with the operators to study other options to increase ridership and revenues.

133 4 To enhance the Environmental Mitigation Program and better measure performance.
Finding 1

SANDAG should ensure that all CMP activities are sufficiently organized within the agency and that the Congestion Management Process (CMP) framework developed in accordance with the 8-Step approach.

Finding 2

SANDAG should ensure that a centralized area is maintained in the Dashboard, and that all completed projects are maintained in the Dashboard, and that all completed projects are maintained in the Dashboard.

Finding 3

The activity-based model (ABM) transition is complete and it integrates transportation and land-use.
<table>
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<th>Priority</th>
<th>Date</th>
<th>Report Title/Issue/Recommendation</th>
<th>Count &amp; Impact</th>
<th>No. of Times Recommended</th>
<th>Status</th>
<th>Corrective Action</th>
<th>Date of Implementation</th>
<th>Planned Implementation Date</th>
<th>Revised Implementation Date</th>
<th>OPGA Tender</th>
<th>Date to AC</th>
<th>Recommendation Owner</th>
<th>Recommendation Dept.</th>
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<tbody>
<tr>
<td>Normal 1</td>
<td>103</td>
<td>SANDAG should employ strategies that may scale back certain model components for evaluating smaller projects to improve model run times.</td>
<td>High</td>
<td>1</td>
<td>Evaluation of smaller projects is referred to in SANDAG's mission for supporting the region's ability to evaluate planned development for potential impacts to communication in addition to the aggregation of regional and sub-regional data. The recommendation, however, is focused on an end goal of improving model run time. For that goal to be met, the recommendation is to be part of the three phase strategy of improvements. The three phases address short-term performance changes, major methodological changes, and long-term changes in transmitting data to the SANDAG-based demand models.</td>
<td>Phase 1 is completed; Phase 2 July 2020; Phase 3 January 2024</td>
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<td>Wu Sun</td>
<td>Planning and Innovation</td>
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<tr>
<td>Normal 1</td>
<td>104</td>
<td>SANDAG should consider updating the ITS Strategic Plan.</td>
<td>High</td>
<td>1</td>
<td>SANDAG staff is addressing this recommendation and operational action is to update the Regional ITS Architecture with a focus on recommendations. The final draft Construction Management Manual is scheduled to advertise or open-to-public in the third quarter of FY 2018. The SANDAG Strategic Plan, which will be completed in time for FY 2019, will include strategic plans and measures that will need to be updated in future years. The recommendation is to be part of the ITSC Strategic Plan.</td>
<td>Spring 2021</td>
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<td></td>
<td>Alex Estrella</td>
<td>Planning and Innovation</td>
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<tr>
<td>Normal 1</td>
<td>105</td>
<td>Implement with Highway Safety Improvement Program (HSIP) and Strategic Highway Safety Plan (SHSP). (Issued)</td>
<td>Normal</td>
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<tr>
<td>Normal 1</td>
<td>106</td>
<td>SANDAG should continue Strengthening Committee and Challenge Area team meeting participation and is encouraged to view its role as the SHSP champion.</td>
<td>Normal</td>
<td>1</td>
<td>Ongoing. SANDAG has been issuing advice at least every two years.</td>
<td></td>
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<td></td>
<td>Sanami Sanfilippo</td>
<td>Planning and Innovation</td>
<td></td>
</tr>
<tr>
<td>Key 2</td>
<td>108</td>
<td>As a component from the prior SANDAG performance audit for full implementation, SANDAG and FACT should continue to work together to review and update the scope of FACT’s contractual responsibilities and to identify and pursue additional funding sources to support its activities as the CTSA.</td>
<td>Key 2</td>
<td>1</td>
<td>SANDAG agrees with this recommendation, and is working with FACT to update the CTSA contract to include longer-term funding sources available for CTSA-related activities.</td>
<td>Recommendation was reviewed in the subsequent FY 2018 - FY 2019 Triennial Audit Report.</td>
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<tr>
<td>Key 2</td>
<td>109</td>
<td>As a component from the prior SANDAG performance audit for full implementation, SANDAG should continue to work with other agencies to identify and enhance opportunities to define the position that enhances connectivity between NTS and NCTD and other connecting providers of public transportation services, such as Amtrak and Metrolink.</td>
<td>Key 2</td>
<td>1</td>
<td>SANDAG agrees with this recommendation, and is working with NTS and NCTD to simplify the fare structure through the fare study.</td>
<td>Recommendation was reviewed in the subsequent FY 2018 - FY 2019 Triennial Audit Report.</td>
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<td>1</td>
<td>110</td>
<td>Legislation (SB 104) was passed in October 2018 that significantly modifies several TDA authorities. Recommended the SANDAG CTSA continuing to work with other providers of public transportation services, such as Amtrak and Metrolink.</td>
<td>Key 2</td>
<td>1</td>
<td></td>
<td>Recommendation reported as implemented.</td>
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<tr>
<td>Normal 1</td>
<td>111</td>
<td>SANDAG should update Policy No. 27 and the SANDAG TDA Claims Manual to address the statutory changes to the TDA implemented by Senate Bill 588, and share all TDA claim procedures in the document as well as SANDAG Policy 27 should be updated.</td>
<td>Normal 1</td>
<td>1</td>
<td>SANDAG agrees with the recommendation and will update the TDA claims section of the TDA manual and SB 588 and communicate such to affected operations.</td>
<td>Recommendation was reviewed in the subsequent FY 2019 - FY 2021 Triennial Audit Report.</td>
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<td>December 2018</td>
<td>112</td>
<td>SANDAG Comprehensive Annual Financial Report</td>
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<tr>
<td>June 2019</td>
<td>113</td>
<td>Triennial Transit Performance Audit - 2019</td>
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<tr>
<td>Key 2</td>
<td>114</td>
<td>To better enhance project management and performance processes over the Major Corridor Capital Improvement Program.</td>
<td>Key 2</td>
<td>1</td>
<td></td>
<td>Recommendation was reviewed in the subsequent FY 2018 - FY 2019 Triennial Audit Report.</td>
<td></td>
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<tr>
<td>Low 1</td>
<td>115</td>
<td>FACT should have SANDAG work with its partners to summarize performance results in a report card.</td>
<td>Low 1</td>
<td>1</td>
<td>SANDAG staff will develop a public Dashboard portal for reporting agency performance on projects scheduled to schedule or open-to-public in the upcoming fiscal year.</td>
<td>FY 2015-16</td>
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<td>Richard Chavez</td>
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<tr>
<td>High 1</td>
<td>116</td>
<td>FACT should have SANDAG work with its partners to finalize construction management manual.</td>
<td>High 1</td>
<td>1</td>
<td>The final draft Construction Management Manual is scheduled for completion by FY 2019.</td>
<td>Fall 2015</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Roman Ruelas</td>
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<tr>
<td>High 1</td>
<td>117</td>
<td>FACT should have SANDAG work with its partners to monitor risks associated with and implement best practices with CMGC.</td>
<td>High 1</td>
<td>1</td>
<td>A formal risk management program that includes modeling, planning, and implementation of strategies and controls to mitigate risk.</td>
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Exported on July 13, 2021 4:06:04 PM PDT
Page 8 of 12
Finding 2

ITDC should have SANDAG work with its partners to measure internal project delivery performance.

Recommendation was discussed with and noted as in part of the recommendation to the ITDC during the January 2017 ITDC meeting.

SANDAG asked that program be included in update to the TransNet EMP annual progress report. Measurement of the EMP will be included with the update to the TransNet EMP annual progress report. Measurement of the EMP will be included with the update to the TransNet EMP annual progress report.

ITDC should have SANDAG continue effort to market local mitigation program.

SANDAG staff will develop a data collection form for projects where these indicators are not applicable.

September 2020-June 2022

Christine Eary/ Suchi Mukherjee/Danielle Kochman

Finding 3

ITDC should have SANDAG measure results of mitigation efforts to implement EMP Strategic Plan and Resource Enhancement/Mitigation Program.

SANDAG staff will develop a public Dashboard tool for analyzing and reporting baseline intercept surveys, for capital projects. SANDAG staff will develop the link to each agency's Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and anticipates a final draft Preserve Metrics System and 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Finding 8

To increase the effectiveness of the Action Transportation Capital project delivery and management practices and improve performance monitoring and reporting.

1. ToDTC should have SANDAG make minor changes in grant site visit processes.

2. ToDTC should have SANDAG develop project delivery and management plans for Bike EAP.

3. ToDTC should have SANDAG utilize project management tools on Bike EAP projects to monitor schedule and costs, and validate accuracy of Dashboard data.

4. ToDTC should consider altering ToDTC member terms so as no more than two terms in a grant year.

Finding 1

To ensure that SANDAGs Board properly governs and develops a system of internal controls over salaries, compensation, and benefits, the Board should:

1. Assume ownership and update the Boards Administrative Rules and Regulations.

2. Strengthen and amend the Boards Bylaws, and other Board Policies as necessary, to ensure consistency and clarity of Board documents.

3. Evaluate retaining General Counsel for the Board to conduct legal research, prepare contracts and procurement/ awarded contracts, and advise the Board of Directors, and keep the Board apprised of its obligations for following applicable laws and regulations, and to ensure that Board documents are properly reviewed, and changes approved by the Board to Board documents, policies, and other documents are complete and tracked.

2. Require SANDAG management to acknowledge that they are aware of and complying with the Board Bylaws, Policies, Administrative Rules and Regulations, and Manuals upon being hired and on an annual basis thereafter.

Finding 2

To ensure that management cannot approve termination payments that exceed the amounts set in both Board policies and rules and regulations, the Board should:

1. Formally investigate the legality of management's actions of granting severance pay to employees who resigned or were terminated for cause, and prepare a report to the Board on whether or not any additional severance payments to the employees were improper.

2. Require management to develop and formalize procedures, including but not limited to: 
   - Enhancing termination policy in conjunction with the Administrative Rules and Regulations set forth in Board policy, 
   - Obtain Board approval for granting severance pay to employees, and reporting severance payments in accordance with Board Policies and Administrative Rules and Regulations

2. Require management to develop and formalize procedures, including but not limited to: 
   - Ensuring that all severance payments are in accordance with Board policy. 
   - Further, consistent with the Audit Committees recommendation, management should propose updates to the SANDAG Bylaws and or relevant policies to ensure that the Board can consider and approve severance payments for the Active Transportation Capital Improvement Program.

Office Team Date to AC

Table: Effective Date

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<th>Date of Implementation Date</th>
<th>Planned Implementation Date</th>
<th>Date to AC</th>
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Finding I
To ensure that management and Board members cannot approve salary increases and large dollar payoffs without justification, the Board should

1. Formally recognize the legality of management’s actions of granting large dollar payoffs without Board approval. (Due to the potential that Board action to approve the process for the Board is necessary to determine whether any personnel action should be taken against individuals for breach of fiduciary duty.)

2. Require all delegated authority to award salary increases and bonuses until such time as the investigation has been concluded and it is determined that adequate procedures have been implemented to ensure that abuses of the performance incentive program do not occur.

3. Clarify the responsibilities of the Board Members acting in the capacity of the Chair and Vice Chair, to report actions taken on behalf of the Board to ensure the Board is aware concerning awarding salaries increases and performance incentive pay.

Plan:

- The Board has provided direction to the Executive Committee regarding this recommendation. Management will fully cooperate.
- TBD
- NA
- Presented to Board of Directors on June 25, 2021 as “Compensating Pensions Review”
- June 30, 2021
- General Counsel

Finding II
To ensure that SANDAG’s Board is properly informed of SANDAG business and information that is present clearly, accurately, and timely, the Board should

1. Create and promulgate a Board policy defining special compensation for SANDAG employees.

2. Require Financial Services to develop and formalize procedures for budgeting and reporting financial information, specifically salaries and benefits information, to the Board in accordance with applicable laws, regulations, Board Policies, and Board Procedures.

3. Require management to develop and formalize a procedure for reconciling the Annual Compensation Pool to amounts awarded to employees and report performance incentives to the full Board.

4. Require Financial Services to update procedures to address the issues identified concerning awarding salaries increase and performance incentive pay.

Plan:

- Presented to Board of Directors on June 25, 2021 as “Compensating Pensions Review”
- February 20, 2021
- 06/23/21
- Director of Organizational Effectiveness
- Organizational Effectiveness

- Presented to Board of Directors on June 25, 2021 as “Compensating Pensions Review”
- June 30, 2021
- CFO and Director of Organizational Effectiveness
- Finance and Organizational Effectiveness

- Presented to Board of Directors on June 25, 2021 as “Compensating Pensions Review”
- December 31, 2021
- CFO

- Presented to Board of Directors on June 25, 2021 as “Compensating Pensions Review”
- December 31, 2021
- Director of Organizational Effectiveness
- Organizational Effectiveness

Finding III
To ensure that management has adequate procedures in place to ensure the accuracy and reliability of SANDAG’s financial information, the Board should

1. Require management to develop and provide training to designated employees regarding agency procedures and practices related to information security.

2. Require management to develop and provide training to designated employees regarding agency procedures and practices related to information security.

3. Require management to develop and provide training to designated employees regarding agency procedures and practices related to information security.

4. Require management to develop and provide training to designated employees regarding agency procedures and practices related to information security.

Plan:

- December 31, 2021
- CFO
- Finance

- December 31, 2021
- CFO
- Finance

- December 31, 2021
- CFO
- Finance

- March 31, 2021
- Yes
- 04/23/21
- Director of Organizational Effectiveness
- Organizational Effectiveness

Finding IV
To ensure that the SANDAG Board of Directors has adequate policies in place to ensure the accuracy and reliability of SANDAG’s financial information, the Board should

1. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

2. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

3. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

4. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

Plan:

- CFO
- Finance

- CFO
- Finance

- CFO
- Finance

- March 31, 2021
- Yes
- 04/23/21
- Director of Organizational Effectiveness
- Organizational Effectiveness

Finding V
To ensure that the SANDAG Board of Directors has adequate policies in place to ensure the accuracy and reliability of SANDAG’s financial information, the Board should

1. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

2. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

3. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

4. Require Financial Services to develop and promulgate a procedure for maintaining and updating the special compensation pool.

Plan:

- CFO
- Finance

- CFO
- Finance

- CFO
- Finance

- March 31, 2021
- Yes
- 04/23/21
- Director of Organizational Effectiveness
- Organizational Effectiveness

Finding VI
To ensure that the SANDAG Board of Directors has adequate policies in place to ensure the accuracy and reliability of SANDAG’s financial information, the Board should

1. Require management to develop and promulgate a procedure for maintaining and updating the special compensation pool.

Plan:

- December 31, 2021
- CFO
- Finance

- December 31, 2021
- CFO
- Finance

- December 31, 2021
- CFO
- Finance

- March 31, 2021
- Yes
- 04/23/21
- Director of Organizational Effectiveness
- Organizational Effectiveness
Report Issue Date | Audit Report Title/Issue/Recommendation | Count & Priority | No. of Times Recommended | Status | Corrective Action | Date of Implementation | Planned Implementation Date | Revised Implementation Date | OIPA Tossed | Date to AC | Recommendation Owner | Recommendation Dept.
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303 2 | Require management to develop and formalize procedures for a consistent methodology when classifying the performance range expectations should allow in order to qualify for performance incentives on an annual basis, including but not limited to, documenting approval, recommendations, and justification of audits evaluated. | 1 | Management shall document procedures related to compensation adjustments (merit increases and bonus awards) provided to employees, including eligibility criteria, the review and approval process, and justification of adjustments. | September 30, 2021 | | Director of Organization Effectiveness | Organization Effectiveness |
304 3 | Require staff to review formalized procedures for completing performance evaluations, recommending performance incentives, and approving performance incentives to staff to ensure they understand their responsibilities. | 1 | Management shall develop additional reference materials and accurate training to supervisors and management regarding the completion of performance evaluations, and the performance and approval process, including written recommendations for employees. | September 30, 2021 | | Director of Organization Effectiveness | Organization Effectiveness |
305 4 | Require Financial Services to develop and formalize a procedure for reconciling the performance incentives paid to employees to the amounts approved by management. | 1 | Management shall develop and document procedures for reconciling the compensation adjustment amounts provided to employees with the amounts approved by management. | December 31, 2021 | | CFO | Finance |

**Finding VII**

To ensure that SANDAG has an adequate process for establishing and maintaining salary range, SANDAG Board should:

1. Establish and formalize policies and procedures to regularly complete salary comparison surveys and analysis.
2. Request management to conduct a job analysis by gathering, documenting, and analyzing information about the job duties to determine the duties and responsibilities.
3. Request management to develop job duty statements in compliance with applicable laws, regulations, and best practices for each position within SANDAG.
4. SANDAG should identify all employees who were appointed or promoted without undergoing a formalized procedure for completing salary range analysis. If there are no employees who were appointed or promoted without undergoing a formalized procedure for completing salary range analysis, no action is proposed.

**Finding VIII**

SANDAG Failed to Ensure Significant Increase in the Number of Executive Team Members and Their Salaries Without Justification:

1. SANDAG should update agency documents, including its organizational chart and job titles to reflect accurate employee names, job titles, and other relevant information.
2. Request salaries for high level positions to salaries prior to the September 2019 salary schedule revisions.
3. SANDAG should complete a needs assessment, which includes a cost benefit analysis for positions added and promotions in place to determine the level of staffing that is necessary and cost effective. Further, the reporting structure and hierarchy should be reviewed to ensure consistency and that positions within job classifications are reporting to management with the necessary skills and expertise to manage the workload.
4. SANDAG should conduct periodic market salary range surveys, including annual review of executive position titles that can be reasonably benchmarked, based on job duties and responsibilities.

**Finding IX**

To ensure that SANDAG has fair, equitable, and competitive hiring practices SANDAG should:

1. SANDAG should identify all employees who were appointed or promoted without undergoing a fair and competitive hiring process.
2. For those positions determined to be filled without a fair and competitive hiring process, SANDAG should perform an independent review of the position to determine if it is necessary for the organization, and if the position was not filled.
3. SANDAG should develop and formalize procedures for opening advertising and competitive hiring for SANDAG positions in accordance with applicable laws and regulations and Board Bylaws, Policies, and Administrative Rules and Regulations, that include but are not limited to:
   - Documenting justification for advertising internally or externally including timeframes for advertising.
   - Documenting procedures and sources of all job applicants who applied for each open and filled position. Including rating of whether candidates meet the minimum qualifications.
   - Documenting hiring decisions, candidate range and source by each interviewer, and analysis.
**Finding X**

SANDAG Management Failed Employees into At-Will Employment Contracts Violating Employee Rights:
The CPAKV recommends that SANDAG:

1. Create and establish policies and align with applicable laws and regulations set forth in the Administrative Rules and Regulations to ensure the regular full-time employees' rights are not violated and are considered.

**January 2017**

SANDAG Small Business Program Audit