

**SANDAG**

**OIPA**

Office of the Independent  
Performance Auditor

# Performance Audit of SANDAG's Contracts Invoicing and Payment Process

Audit Period

July 1, 2019 –  
June 30, 2023

**Courtney Ruby, CPA, CFE**

*Independent Performance Auditor*

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**SANDAG**

**OIPA**

**Office of the Independent  
Performance Auditor**

Courtney A. Ruby, CPA, CFE  
Independent Performance Auditor  
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July 3, 2024

Nora Vargas, Chair  
SANDAG Board of Directors

David Zito, Chair  
SANDAG Audit Committee

**SUBJECT: CONTRACT INVOICING AND PAYMENTS AUDIT FOR THE PERIOD OF  
JULY 1, 2019, THROUGH JUNE 30, 2023**

Dear Chair Vargas and Chair Zito:

The Office of the Independent Performance Auditor (OIPA) completed an audit of SANDAG's contract invoicing and payments processes for the period of July 1, 2019, to June 30, 2023. This audit was initiated in response to the significant audit findings in the OIPA's Operational Process and System Control Review - Contracts and Procurements Audit Parts I & II.

The objective of this engagement was to determine the effectiveness of SANDAG's review and approval controls over the contract invoicing and payments processes.

The OIPA sampled invoices from five (5) contractors identified in the Operational Process and System Control Review - Contracts and Procurements Audit Part I issued October 14, 2022. SANDAG paid approximately \$92 million to these five (5) contractors over four (4) years, and invoice transactions totaling approximately \$34 million were tested during the audit.

The audit findings include invoices processed with insufficient supporting documentation, invoiced rates not matching approved contract rates, finance records missing documentation, and invoices missing approval signatures.

Most concerning is the finding that invoices totaling \$13,055,123, or 32.39 percent of the sample size, did not include sufficient documentation to determine what work was completed by contractors. These findings are consistent with the findings related to invoicing in the Contracts and Procurement Operational and System Control Audit Parts I & II.

Chair Vargas  
Chair Zito  
Audit Numbers CON2024-01 through CON2024-05  
July 3, 2024

Management agrees with all seven (7) recommendations included in the report and Management's Response and Corrective Action Plan can be found in Appendix C of the attached report.

Management must tackle, with haste and intention, the core systemic issues that have resulted in a lax invoicing and payments process to ensure SANDAG only pays for verified and well documented contracted services.

This summer, the OIPA will be conducting its annual recommendation follow-up process. This will include reviewing the implementation status of all OIPA's past outstanding audit recommendations, including the 97 recommendations from the Contracts and Procurement Operational and System Control Audit Parts I & II.

When these recommendations are fully implemented, SANDAG contracting procedures will be greatly improved and the public can be assured their monies will be expended properly with full accountability and transparency.

The OIPA would like to thank SANDAG management and staff for their cooperation during this audit and their commitment to implementing the audit recommendations. If you have additional questions, please contact me at (619) 595-5323 or [courtney.ruby@sandag.org](mailto:courtney.ruby@sandag.org).

Respectfully,



COURTNEY A. RUBY, CPA, CFE  
Independent Performance Auditor  
Office of the Independent Performance Auditor

Attachments:

1. Audit Report – Invoicing and Payments Audit
2. Management Response and Corrective Action Plan

## RESULTS

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### Introduction

This report presents the results of the OIPA’s performance audit of SANDAG’s contracts invoicing and payment process for the audit period July 1, 2019, to June 30, 2023. The audit objective was to determine whether SANDAG’s review and approval controls are effective over the contract invoice and payment process. See Appendix A for audit objective, scope, methodology and compliance statement.

This audit is part of the Board-approved annual Audit Plan. The Audit Plan is risk based and prioritized by the level of risk to the agency. Risks are considered from both qualitative and quantitative perspectives. Given the significant audit findings in the OIPA’s Operational Process and System Control Review - Contracts and Procurements Audit Parts I & II, contractor invoicing and payments was considered a high risk and included in the FY 2023-24 Audit Plan. Initially, 5 separate audit reports were planned, however, the audit work was combined into one audit report reviewing the invoicing and payments process for 5 separate contractors.

To evaluate the effectiveness of the contract invoicing and payment process, the OIPA selected 5 contractors identified in the Operational Process and System Control Review - Contracts and Procurements Audit Part 1 issued October 14, 2022. These contractors had the highest dollar increase in contract value compared to the original contract award amount: (1) HNTB Corporation, (2) WSP USA Inc., (3) PGH Wong Engineering, Inc., (4) Jacobs Project Management (JPM), and (5) AECOM Technical Services (see Appendix B).

SANDAG paid approximately \$92 million to these 5 contractors over 4 years (see Table 1).

**Table 1: Audit Period Invoices and Payments**

Contractor	Invoices	Paid
HNTB	887	\$48,418,522
WSP	268	14,012,655
PGH Wong	231	11,573,169
JPM	87	9,586,117
AECOM	224	8,496,275
<b>Total</b>	<b>1697</b>	<b>\$92,086,738</b>

## Background

As a recipient of public funds, SANDAG is responsible for ensuring that funds are properly spent for the intended public purposes. SANDAG uses internal policies and procedures in administering the process of invoicing and payments and must also adhere to all applicable state and federal laws, as well as the rules and regulations imposed by various funding agencies.

Additionally, SANDAG is responsible for managing projects to ensure budgets and timelines are being adhered to, public funds are spent appropriately and efficiently in accordance with contract terms, and invoices are reviewed to verify completion of work prior to payment.

SANDAG project managers are responsible for important components of the contract invoice payment process, which includes invoice review, approval, and submission for payment. Prior to payment, invoices must adhere to contract requirements and be approved and signed off by project managers. Project managers are responsible for reviewing invoices for fraudulent charges, timeliness and accuracy, allowable costs, consistency with contract terms, and acceptability of contractor's work. Project managers then submit the invoices to their manager or director for approval before submitting to Finance for payment. Finance then completes several levels of review of the request for payment and documents submitted prior to entering the request into the accounting system and issuing the payment.

SANDAG paid the 5 selected contractors a total of 1,697 invoices valued at \$92 million during the audit period. A random audit sample of 423 invoice transactions totaling approximately \$34 million paid between July 1, 2019, to June 30, 2023<sup>1</sup> was selected. (see Table 2). The majority of invoices reviewed were Architectural & Engineering/Construction Management services contracts totaling approximately \$27.7 million or 81% of the sample.

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<sup>1</sup> The audit period for HNTB was from July 1, 2019 to June 30, 2023. HNTB's audit was initiated July 5, 2023, and briefly put on hold due to staff workload and therefore has a different audit period. The audit period for the other four contractors (AECOM, WSP, JPM, and PGH) was July 1, 2021 to June 30, 2023.

**Table 2: Sampled Invoices**

Contractor	Total Invoices	Total Paid	Sample Size	Sample Paid	% of Total Paid
HNTB	887	\$48,418,522	83	\$9,502,916	19.6%
WSP	268	14,012,655	101	4,790,000	34.2%
PGH Wong	231	11,573,169	77	5,772,480	49.9%
JPM	87	9,586,117	87	9,586,117	100.0%
AECOM	224	8,496,275	75	4,394,178	51.7%
<b>Total</b>	<b>1697</b>	<b>\$92,086,738</b>	<b>423</b>	<b>\$34,045,691</b>	<b>37.0%</b>

Note: HNTB audit scope included 2 more years than other contractors and resulted in a higher total paid amount and a lower % of total paid.

The audit identified the following issues during the review of contractor invoices:<sup>2</sup>

1. Insufficient Supporting Documentation
2. Invoiced Rates Not Matching Approved Rates
3. Missing Records
4. Missing Approval Signatures

**Table 3: Identified Audit Issues**

Contractor	Sample Size	Insufficient Supporting Documentation	Invoiced Rates vs Approved Rates	Missing Records	Missing Approval Signatures
HNTB	83	12	8	0	3
WSP	101	48	0	3	0
PGH Wong	77	45	0	0	0
JPM	87	19	0	0	0
AECOM	75	13	6	3	1
<b>Total</b>	<b>423</b>	<b>137</b>	<b>14</b>	<b>6</b>	<b>4</b>
<b>Percentage</b>		<b>32.39%</b>	<b>3.31%</b>	<b>1.42%</b>	<b>0.95%</b>

<sup>2</sup> These categories align with the findings further explained below.

## **Finding 1: Invoices Paid with Insufficient Supporting Documentation**

### ***Adequate supporting documentation was not always included with contractor invoices submitted to Finance.***

Adequate supporting documentation was not always included with contractor invoices submitted to Finance. We determined that **137** of **423** reviewed invoice transactions (**32.39%**) totaling **\$13,055,123** did not include sufficient documentation to determine what work was completed (**see Table 3**). This includes a lack of documentation outlining what work was performed, missing or incomplete timecards, and missing documentation of subcontractor(s) work.

Adequate supporting documentation provides physical evidence that contracted services were performed, authorized, and allowable. Additionally, it supports the payment request to ensure transactions are recorded accurately and completely in the financial records. Adequate documentation includes information such as the date, amount, detailed description of the work performed and required signatures. The description of services rendered must match contracted services.

Contracts can authorize work via task orders or be project-specific for different projects. The contractor prepares an invoice for work performed by task and submits it to a SANDAG project manager for review and payment. Most of the reviewed invoices included the following language on the contract task order:

*“Each invoice shall clearly identify the work performed, the amount due, and invoice period per project and/or cost code. The consultant is to attach back-up documentation supporting authorized expenses. Timesheets must accompany each invoice with the authorized classification, individual, rate, and hours worked listed clearly.”*

Per the SANDAG Request for Payment (RFP) form, project managers requesting invoice payments should attach all necessary supporting documentation before submitting the invoice to Finance for payment.

During the audit period, project managers were not consistent in requesting itemized or detailed summaries of work performed from contractors for inclusion in the processing and submittal of the RFP to Finance.

The Finance department is an essential part of SANDAG, and their functions include accounting and reporting, accounts receivable, accounts payable, and cash management, however; during the audit, Finance staff indicated they do not review or request supporting documents other than the RFP from the project managers.

The SANDAG Standard Services Agreement Section II, A, *Allowable Costs and Payments* states:

Separate invoices itemizing all costs are required for all work performed under each Task Order.

However, the SANDAG Standard Services Agreement Section V, *Invoice Requirements* states the only invoice requirements are to:

Reference the Agreement number, Project title, and any applicable Task Order number.

The lack of consistency in SANDAG's internal Standard Services Agreement regarding invoice requirements can cause inconsistent application and ineffective or poor internal control. Following the audit period, in May 2024, SANDAG revised the Standard Service Agreement template to reflect consistent invoice requirements.

When adequate supporting documentation is not submitted with an invoice, SANDAG is at risk of paying for services that were not contracted, completed, authorized or may be duplicative. Further, if work is not being performed according to the contract, this could result in incomplete projects or project delays.

### **Recommendation #1**

We recommend the Contracts and Procurement department provide annual training for project managers on what is required for invoices based on the updated Standard Services Agreement and Task Order requirements. Training should ensure project managers validate the work has been performed and meets contractual requirements before invoices are submitted for payment.

### **Recommendation #2**

We recommend the Finance department update their accounts payable procedures to include requiring supporting documents consistent with the Standard Services Agreement and Task Order submitted for invoice processing.



## **Finding 2: Invoiced Rates vs Approved Rates**

### ***Contractors' invoiced rates did not always match the approved fee schedule or master rate table.***

Contractors' invoiced rates did not always match the approved contract fee schedule or master rate table.<sup>3</sup> We determined that **14** of **423** reviewed invoice transactions (**3.31%**) did not match the approved fee schedule or master rate table (**see Table 3**).

Per SANDAG's Procurement Policy, project managers are responsible for reviewing invoices to ensure the contractor's invoiced costs are allowable and consistent with the contract terms.

These issues occurred because project managers did not exercise due diligence when reviewing the Contractors' invoices against the most current fee schedule or master rate table for the contract. Additionally, the Contracts and Procurement department does not have a procedure dictating where and how fee schedule approvals and changes should be managed and centrally located to ensure consistent up-to-date record keeping. However, it should be noted that the Contracts and Procurement department did maintain up-to-date rates for most of the contracts that used a master rate table.

When invoiced rates do not match authorized contract rates in the fee schedule or master rate table, SANDAG is at risk of overpaying for services, or paying for unauthorized services.

### **Recommendation #3**

We recommend that the Contracts and Procurement department create a procedure to manage, track and store rate and fee schedule approvals and changes in one file location to ensure accurate verification of invoiced amounts.

### **Recommendation #4**

We recommend the Contracts and Procurement department provide fee schedule training annually to procurement staff and project managers to ensure fee schedules align with contract needs and project managers can efficiently verify and track invoices.

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<sup>3</sup> Contracts either follow a fee schedule or master rate table. A fee schedule is included in the contract or task order, changes or additions to these are made in subsequent task orders or amendments. Master rate tables are organized and tracked in a log/spreadsheet by year and updated as changes or amendments are made.

## Finding 3: Missing Records

### ***Finance invoice records did not always include a copy of the checks issued or completed accounts payable batch review for invoices paid.***

Finance invoice records did not always include a copy of the checks issued or completed accounts payable (AP) batch review for invoices paid. We determined that **6** of **423** reviewed invoice transactions (**1.42%**) did not comply with Finance's invoice recordkeeping requirements (**see Table 3**).

Check copies must be retained to provide tangible proof when errors appear on the bank statements that don't match the entries made in the accounting system.

AP batch processing is an internal method for processing multiple transactions as a single group which helps in handling tasks, like payroll, or end-of-month reconciliation. SANDAG's AP batch processing procedure entails steps to ensure accuracy including three levels of review by the accounts payable processor, senior accountant and the finance manager, who is the final reviewer. Effective January 2024, according to SANDAG staff, this process is no longer applicable with the implementation of the new ERP system.

Per SANDAG's accounts payable procedure, the batch review must be completed prior to posting the payment in the accounting system. Additionally, the procedure requires that upon completion of the check run, a check register is filed. Finance records during the audit period included both hard copy prints of records and electronic files in SharePoint.

Per SANDAG's Records Retention Schedule, accounts payable records are to be retained permanently, including account postings with supporting documentation and vouchers.

These issues occurred because Finance staff did not exercise due diligence to ensure proper recordkeeping was maintained for payments.

When proof of completed batch review or proof of payments are not documented, SANDAG is at risk of not being able to easily identify questionable payments or errors in the accounting system, in addition to being out of compliance with their policy.

### **Recommendation #5**

We recommend that the Finance department staff is reminded to follow Finance department procedures and/or update their procedures when their process changes.

## **Finding 4: Missing Approval Signatures**

### ***SANDAG Management's review and approval controls over the contract invoice payment process were not always effective.***

SANDAG Management's review and approval controls over the contract invoice payment process were not always effective. We determined that **4** of **423** reviewed invoice transactions (**0.95%**) totaling **\$115,311** did not comply with invoice review, approval, or submission requirements (**see Table 3**). These transactions were missing at least one approval signature, either the project manager signature or the Director/Manager signature on the Request for Payment forms.

Per SANDAG's Procurement policy, project managers are responsible for reviewing invoices for fraudulent charges, timeliness and accuracy, allowable costs, consistency with contract terms, and acceptability of Contractor's work. Managers are then responsible for approving the invoices submitted by the project manager, before they are sent to Finance.

SANDAG's Delegation policy states that Managers approve all invoices except the final one. Directors approve the final invoice of final progress payment up to Agreement limit.

Additionally, the Request for Payment form instructs that all payment requests must be approved by the appropriate project manager and the other appropriate levels, as defined in the Delegation policy, before submitting the request to Finance for payment processing. Further, the form states that requests will not be processed without these approvals.

Dual approval protects the agency and safeguards employees from making unintended errors, perpetrating fraud, or deviating from approval processes. Requiring two different approval signatures creates a system of checks and balances and helps to prevent fraud.

These issues occurred because Finance staff did not exercise due diligence and reject invoices that did not meet all submission requirements of having two signatures. In all cases identified in this finding, at least one signature was missing, and payment was still made to the contractor.

When invoices do not meet approval and submission requirements, SANDAG is at risk of paying duplicate invoices, or for invoiced goods and services that may not have been received or met contract requirements.

**Recommendation #6**

We recommend that the Finance department and project managers are adequately trained annually to ensure that invoice approval processes are being followed in accordance with SANDAG policy.

**Recommendation #7**

We recommend that the procurement policy be amended to require two different approval signatures: one by the project manager (PM) and the other from the PM's manager or director. If the director is the PM, the director must seek their manager's approval before submitting to Finance for payment.

## Prior Audit Recommendations

Many of the recommendations stated above parallel prior recommendations in the Contracts and Procurement Operational and System Control Audit Parts I & II, dated October 14, 2022 (Part I), and May 12, 2023 (Part II). The overlap of recommendations from the Contracts and Procurement audit includes:

- The creation of SOPs to provide instructions on entering and processing invoices with all necessary supporting documentation included,
- Verification of work performed to ensure it is allowed in the contract/task order,
- Inclusion of detailed itemization of work prior to processing payment(s),
- Regular training to contracts and procurement staff, project managers, and finance personnel to maintain adherence to written policies.

Management presented the status of their corrective action plan for the Contracts and Procurement Operational and System Control Audit (Parts I and II) to the Audit Committee on May 2024. Management stated templates have been updated to require invoices be detailed/itemized and progress reports or detailed summaries of work performed be included. The OIPA confirmed the templates have been updated.

In addition, Management stated that multiple action items<sup>4</sup> to address the audit recommendations have been completed with the implementation of the new Enterprise Resource Planning System (ERP). The OIPA will be conducting audit recommendation follow-up testing this summer on outstanding audit recommendations. The recommendations from the Contracts and Procurement Operational and System Control Audit (Parts I and II) will be included in this process.

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<sup>4</sup> None of the action items were enacted during the scope of the audit period.

## **Appendix A: Additional Information**

### **Objective, Scope and Methodology**

Our objective was to determine whether SANDAG policies, procedures, and internal controls existed and were being followed when processing contract invoices and payments. The audit areas included invoices and payments made to the following five (5) contractors: HNTB, WSP, PGH Wong, AECOM and JPM.

We established a random sample of invoices from the five (5) contractors to review from July 1, 2019, to June 30, 2023. During this period, SANDAG stored records as hard copies and later as electronic files while using various systems to store contract and invoice records, including SharePoint, OneSolution, and CMS.

We reviewed invoices and payments for each contractor for the following periods:

- HNTB invoices for the period of July 1, 2019, to June 30, 2023. HNTB's audit was initiated on July 5, 2023, and therefore has a different audit period. It was briefly put on hold due to staff workload.
- WSP, PGH Wong, AECOM and JPM invoices for the period of July 30, 2021, to June 30, 2023.

To accomplish our objective, we:

- Reviewed SANDAG's policies to ensure they were consistent with Federal and State regulations and other applicable governing laws, rules, and regulations.
- Reviewed SANDAG's system controls for invoicing and payments to ensure effective and efficient controls exist and are followed.
- Tested, on a sample basis, a portion of the population of transactions to determine whether they were appropriate, allowable, and supported by adequate documentation and adhered to established policies and procedures.

### **Statement of Compliance with Auditing Standards**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix B: Prior Audit Information

**Top 5 Contractors with the highest dollar increase in contract value to the original contract award amount as presented in Table 3.2 from the OIPA's Contracts and Procurement Operational and System Control Audit Part I, issued October 14, 2022**

Contractor	Original Amount Awarded	Current Amount Awarded	Difference	% Change
WSP	\$140,307,107	\$204,290,405	\$63,983,298	46%
PGH Wong	\$31,713,659	\$63,245,356	\$31,531,697	99%
HNTB	\$58,166,991	\$88,015,358	\$29,848,367	51%
Jacob Project Management (JPM)	\$33,483,362	\$59,959,958	\$26,476,596	79%
AECOM	\$35,396,122	\$56,538,676	\$21,142,554	60%

### Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date
Contracts and Procurement Operational and System Control Audit (Part I and Part II)	The objective of this engagement was to audit SANDAG's management of contracts and procurement.	2022-05 (Part I and Part II)	October 14, 2022; May 12, 2023

## **Appendix C: Management's Comments and Corrective Action Plan**

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July 1, 2024

TO: Courtney Ruby, Independent Performance Auditor  
FROM: Mario Orso, Chief Executive Officer  
SUBJECT: Management Response to OIPA Invoicing and Payments Audit

Thank you for the opportunity to respond to the Office of the Independent Performance Auditor's (OIPA's) Invoicing and Payments Audit. We appreciate the work you and your team have completed to develop this analysis. We accept the audit findings and Management's Action Plan responsive to the audit recommendations is attached.

As mentioned in the audit report, many of recommendations are consistent with those from Parts I and II of OIPA's Contracts audit completed in 2022 and 2023. Management presented a status update on the Contracts Audit Action Plan to the Audit Committee in May 2024. Some of the recent accomplishments from this work plan include the implementation of the Enterprise Resource Planning (ERP) system earlier this year. The new processes and controls introduced with the system are expected to prevent many of the issues found during the most recent audit. However, as underscored by this audit, the ERP is only part of the solution. This new system must be coupled with effective program and project management practices, and ensuring staff receive the training and support they need to complete the agency's work program.

We look forward to continuing to work with the OIPA to improve processes and practices to ensure that funds are properly spent for the intended public purposes. Again, thank you for your efforts on this analysis and continued partnership in being prudent stewards of taxpayer dollars.

Sincerely,

A handwritten signature in black ink, appearing to read "Mario Orso". The signature is fluid and cursive, written over a white background.

MARIO ORSO  
Chief Executive Officer

Attachment 1: Proposed Management Action Plan – Invoicing and Payments Audit



## Proposed Management Action Plan

Invoicing and Payments Audit for the period  
July 1, 2019, through June 30, 2023

The SANDAG Office of the Independent Performance Auditor (OIPA) completed the above-referenced audit in June 2024. Management has reviewed and discussed the Final Audit Report with OIPA staff and has accepted the findings. Per the Action Plan outlined below, Management will undertake the recommendations offered by OIPA as part of its commitment to continuous improvement and to support the highest levels of organization performance.

Management shall periodically report progress and completion of the Action Plan to OIPA and the Audit Committee.

### Finding I: Invoices Paid with Insufficient Supporting Documentation

Adequate supporting documentation was not always included with contractor invoices submitted to Finance.

OIPA Recommendation	Management Action Plan	Responsible Official and Estimated Completion Date
1. We recommend the Contracts and Procurement department provide annual training for project managers on what is required for invoices based on the updated Standard Services Agreement and Task Order requirements. Training should ensure project managers validate the work has been performed and meets contractual requirements before invoices are submitted for payments	The Contracts and Procurement Services team will be launching the first phases of a Contract Management Support Unit (CMSU) in Fall 2024 to assist project managers with post-award contract administration functions. The CMSU will provide regular training and develop resources for project managers on a broad range of topics, including requirements for supporting documentation to substantiate invoice payments.	Director of Contracts and Procurement Services  Due: September 30, 2024
2. We recommend the Finance department update their accounts payable procedures to	The Accounting and Finance team will develop and implement additional procedures that clarify the role and	Director of Accounting and Finance

OIPA Recommendation	Management Action Plan	Responsible Official and Estimated Completion Date
include requiring supporting documents consistent with the Standard Services Agreement and Task Order submitted for invoice processing.	responsibility of Accounts Payable, project managers, and other staff involved in the preparation, submittal, review, and processing of invoice packages.	Due: September 30, 2024

**Finding II: Invoiced Rates vs Approved Rates**

Contractors' invoiced rates did not always match the approved fee schedule or master rate table.

OIPA Recommendation	Management Action Plan	Responsible Official and Estimated Completion Date
3. We recommend that the Contracts and Procurement department create a procedure to manage, track and store rate and fee schedule approvals and changes in one file location to ensure accurate verification of invoiced amounts.	The Contracts and Procurement Services team has initiated process improvements related to maintaining and providing up-to-date rate and fee schedule information to include centralizing On-Call rate and fee schedules and updating procedures for amended rate and fee schedules.	Director of Contracts and Procurement Services  Due: December 31, 2024
4. We recommend the Contracts and Procurement department provide fee schedule training annually to procurement staff and project managers to ensure fee schedules align with contract needs and project managers can efficiently verify and track invoices.	The Contracts and Procurement Services team will be launching the first phases of a Contract Management Support Unit (CMSU) in Fall 2024 to assist project managers with post-award contract administration functions. The CMSU will provide regular training and develop resources for project managers on a broad range of topics, including how to use established fee and rate schedules.	Director of Contracts and Procurement Services  Due: December 31, 2024

### Finding III: Missing Records

Finance invoice records did not always include a copy of the checks issued or completed accounts payable batch review for invoices paid.

OIPA Recommendation	Management Action Plan	Responsible Official and Estimated Completion Date
5. We recommend that the Finance department staff is reminded to follow Finance department procedures and/or update their procedures when their process changes.	The Accounting and Finance team will implement a regular cadence for reviewing and updating departmental procedures and communicating changes to affected employees.	Director of Accounting and Finance  Due: December 31, 2024

### Finding IV: Missing Approval Signatures

SANDAG Management’s review and approval controls over the contract invoice payment process were not always effective.

OIPA Recommendation	Management Action Plan	Responsible Official and Estimated Completion Date
6. We recommend that the Finance department and project managers are adequately trained annually to ensure that invoice approval processes are being followed in accordance with SANDAG Policy.	Consistent with Recommendations 1 and 2 above, Management will ensure Accounts Payable staff, project managers, and other employees involved in the review and approval, of invoice packages receive regular training about agency processes.	Director of Accounting and Finance  Due: December 31, 2024
7. We recommend that the procurement policy be amended to require two different approval signatures: one by the project manager (PM) and the other from the PM’s manager or director. If the director is the PM, the director must seek their manager’s approval before submitting to Finance for payment.	The Accounting and Finance team will develop and implement additional procedures that clarify the submittal and approval requirements for payment requests.	Director of Accounting and Finance  Due: December 31, 2024