

AUDIT PLAN FY 2015-16 Second Quarter Status

1. DESIGN-BUILD OVERSIGHT (IN PROGRESS)

Scope: Review processes in place within Program Management to assure risk model of design-build is maintained with Authority role of design acceptance and oversight.

Estimated Resources: 1,000 hours

Estimated completion: Winter 2015

2. DESIGN-BUILD STIPEND (IN PROGRESS)

Scope: Evaluate compliance with policy and procedure of stipends for design-build proposers and Advanced Technical Concepts.

Estimated Resources: 350 hours

Estimated completion: Fall 2015

3. CONTRACT MANAGEMENT CONTINUATION AND FOLLOW UP (IN PROGRESS)

Scope: Evaluate current contract management practices, including managing deliverables, contractor oversight, compliance with contract provisions, and administrative responsibilities for contracts not included in prior audit. Follow up on prior audit to determine if issues identified have been addressed.

Estimated Resources: 500 hours

Estimated completion: Spring 2016

4. RIGHT OF WAY (IN PROGRESS)

Scope: Continuous auditing of the Right of Way acquisition reporting process.

Estimated Resources: 480 hours

Estimated completion: Summer 2016

5. YEAR-END CLOSE (IN PROGRESS)

Scope: Evaluate year-end close process and determine if process is adequate to ensure there are no material misstatements in the 2015 financial statements. Review accrual procedures for compliance with GASB and state year-end close requirements.

Estimated Resources: 300 hours

Estimated completion: Winter 2015

6. Financial Integrity State Manager's Accountability (FISMA)/State Leadership Accountability Act (SLAA) (COMPLETED)

Scope: Test internal controls of risk areas. Document mitigations identified for risk areas.

Estimated Resources: 500 hours

Completed: *December 31, 2015, Policy and procedure review performed supports this assignment.*

7. INCURRED COST CONTRACT AUDITS (IN PROGRESS)

Scope: Determine reasonableness and allowability of costs reimbursed under contract. Procedures will include interviews of Authority and consultant staff, obtaining technical expertise as necessary, analysis of value received for work performed, and reasonableness and allowability of reimbursed costs. Contracts will be selected based on risk factors of dollar value, number of contracts, and management requests.

Estimated Resources: 800 hours (does not include loaned staff and retired annuitant time)

Estimated completion: Summer 2016 *Fieldwork in progress utilizing loaned staff and retired annuitant.*

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8. PREAWARD REVIEWS OF CONTRACTS AWARDED BY REQUEST FOR QUALIFICATIONS (ONGOING)

Scope: Determine reasonableness of proposed cost elements (labor, overhead, other direct costs) for ~~Regional Consultants for San Jose to Merced and Altamont Corridor~~ Environmental and Engineering Services from San Francisco to San Jose and San Jose to Merced, Project Construction Management for CP 4, Environmental Services for Merced to Fresno Project Section, Environmental Services for Fresno to Bakersfield, and Right of Way Surveying and Engineering. Attestation procedures will include obtaining most current information and analysis of actual costs compared to proposed amounts.

Estimated Resources: 1,800 hours

Estimated completion: Ongoing as proposals are received. *Environmental and Engineering for the San Francisco to San Jose and San Jose to Merced Project Sections issued November 4, 2015.*

9. PROCUREMENT FOLLOW UP

Scope: To determine if issues previously reported have been corrected.

Estimated Resources: 200 hours

Estimated completion: Summer 2016

10. BOARD OF DIRECTORS TRAVEL EXPENSE REVIEW

Scope: Review travel expense claims of Board of Directors for compliance with travel rules and policies.

Estimated Resources: 80 hours

Estimated completion: Summer 2016

11. CALTRANS SR99 CONSTRUCTION CONTRACT (ON HOLD)

Scope: Evaluate contractor efficiency and effectiveness in the areas of cost and schedule.

Estimated Resources: 800 hours

Estimated completion: Summer 2016.

12. DRAFT AGREEMENT REVIEW (ONGOING)

Scope: Review draft contracts for applicable fiscal provisions. Review scope of work in contract to determine if scope is auditable, specifically if clearly defined with deliverables and due dates. Cost proposal is reviewed to assure it doesn't contradict the scope or method of payment.

Estimated Resources: 200 hours

Estimated completion: Ongoing as contracts are executed. *Contracts reviewed this quarter: 38.*

13. AUDIT LIAISON (IN PROGRESS)

Scope: Audit liaison for external auditors (Bureau of State Audits, Department of Finance, Government Accountability Office, etc.).

Estimated Resources: 300 hours

Estimated completion: Spring 2016 *Federal Compliance and Financial Statement Single Audits in progress.*

14. PROJECT CONSTRUCTION MANAGEMENT

Scope: Determine if policies and procedures are adequate to assure construction materials meet standards and requirements.

Estimated Resources: 400 hours

Estimated completion: *Summer 2016.*

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15. RECORDS MANAGEMENT

Scope: Evaluate efficiency and effectiveness of records management, including roles and responsibilities, document storage, compliance with record retention policies.

Estimated Resources: 1,000 hours

Estimated completion: *Summer 2016.*

16. HUMAN RESOURCES

Scope: Evaluate efficiency and effectiveness of human resources hiring processes.

Estimated Resources: 700 hours

Estimated completion: To be determined.

17. SPECIAL REQUESTS

Scope: Hours reserved for audits requested by the Board or management throughout the fiscal year.

Estimated Resources: 500 hours remaining

Estimated completion: As needed/requested

Scope: Audit of contract management over utility contracts with PG&E and AT&T.

Estimated Resources: 250 hours

Estimated completion: *Spring 2016*

~~Note: Priorities 1 through 13 can be completed with existing staffing. Remaining audits will be completed as vacancies are filled.~~

First Quarter Staffing Update: One vacancy filled in July 2015. Remaining vacancy is being actively recruited; final filing date was September 11, 2015.

Second Quarter Staffing Update: Audit Chief vacancy filled October 6, 2015, which created vacancy in Senior Management Auditor classification. Tentative offer made.