



September 13, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit

Subject: Transit Police Services, Internal Audit Report No. 17-512

Overview

The Internal Audit Department has completed an audit of oversight controls and contract compliance related to the agreement with the Orange County Sheriff's Department for Transit Police Services. Based on the audit, controls are adequate, and management has worked to improve incident reporting for better oversight and more informed scheduling.

Recommendation

Receive and file Transit Police Services, Internal Audit Report No. 17-512, as an information item.

Background

Transit Police Services (TPS) is responsible for security and law enforcement services for all of the Orange County Transportation Authority's (OCTA's) bus operations, OCTA-owned transit and operating facilities, OCTA-owned railroad right-of-way, and security at OCTA Board of Directors meetings. Agreement No. C-5-3342 (Agreement) between OCTA and the Orange County Sheriff's Department provides one full-time lieutenant, four sergeants, nineteen deputy sheriffs, one investigator, and one office specialist for a total of \$7,275,409 for fiscal year 2017.

TPS is divided into two teams, Fixed-Route Transit Operations (Fixed-Route Transit Ops) and Right-of-Way Operations (Right-of-Way). The Fixed-Route Transit Ops team is primarily responsible for handling calls for service related to incidents on OCTA buses. The primary focus of the Right-of-Way team is to patrol the 47 miles of OCTA-owned right-of-way. The Agreement also covers non-regular, supplemental services such as additional transit security

coverage, Angel Express security services, Orange County Fair security services, canine units, and Measure M2 properties patrol service.

The Fixed-Route Transit Ops team is dispatched by Transit Division's Central Communications (CC) using the Intelligent Transit Management System (ITMS) bus dispatch system. When an incident occurs, the bus driver will contact CC, who then dispatches deputies through the ITMS System.

Discussion

The manager of Security and Emergency Preparedness adequately oversees TPS activities and has implemented adequate controls to ensure contract compliance and invoice accuracy.

The manager of Security and Emergency Preparedness recognizes the need for improved information about TPS activities and continues to work with the CC Department to improve dispatch data captured by the ITMS system. These improvements provide information for better oversight of TPS activities and more informed scheduling.

Summary

Based on the audit, controls are adequate and management has worked to improve incident reporting for better oversight and more informed scheduling.

Attachment

A. Transit Police Services, Internal Audit Report No. 17-512

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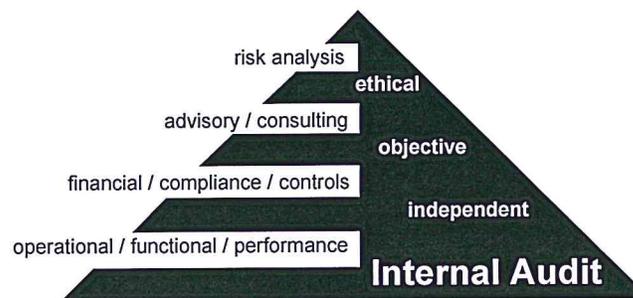
ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Transit Police Services

Internal Audit Report No. 17-512

August 31, 2017



Performed by: Gabriel Tang, CPA, Principal Internal Auditor
Janet Sutter, CIA, Executive Director

Janet Sutter for

Distributed to: Katrina Faulkner, Manager, Security and Emergency Preparedness

**ORANGE COUNTY TRANSPORTATION AUTHORITY
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Transit Police Services Contract
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Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of the oversight controls and contract compliance related to the agreement with the Orange County Sheriff's Department (OCSD) for Transit Police Services (TPS). Based on the audit, controls are adequate and management has worked to improve incident reporting for better oversight and more informed scheduling.

Background

Transit Police Services

TPS is responsible for security and law enforcement services for all of OCTA's bus operations, Orange County Transportation Authority (OCTA)-owned transit and operating facilities, OCTA-owned railroad right-of-way, and security at OCTA Board of Directors meetings. Agreement No. C-5-3342 (Agreement) between OCTA and OCSD provides one full-time lieutenant, four sergeants, 19 deputy sheriffs, one investigator, and one office specialist for a total of \$7,275,409, for fiscal year (FY) 2017.

TPS is divided into two teams; Fixed-Route Transit Operations (Fixed-Route Transit Ops) and Right-of-Way Operations (Right-of-Way). The Fixed-Route Ops team is primarily responsible for handling calls for service related to incidents on OCTA buses. However, they also provide driver background checks and permit enforcement for the Orange County Taxicab Administration Program and they provide patrols of OCTA transit centers, properties, and bus stops. The primary focus of the Right-of-Way team is to patrol the 47 miles of OCTA-owned right-of-way.

The Agreement also covers non-regular, supplemental services such as additional transit security coverage, Angel Express security services, Orange County Fair security services, canine units, and M2 properties patrol service. TPS works closely with OCTA's manager of Security and Emergency Preparedness to develop strategies for both crime prevention and to address crime related issues.

The Fixed-Route Transit Ops team is dispatched by OCTA Central Communications (CC) through the Intelligent Transit Management System (ITMS) bus dispatch system. When an incident occurs, the bus driver will contact CC, and CC will dispatch deputies through the ITMS System. Until recently, the ITMS dispatch system did not capture TPS incidents specifically and, therefore, did not provide useful data on TPS activities or performance.

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Objectives, Scope, and Methodology

The objectives were to assess the adequacy of oversight controls and contract compliance.

The methodology consisted of review and testing of controls over processing regular and supplemental service invoices, review and testing of vacancy credit reports, walkthrough of the monthly activities data generated from the ITMS system, and interview with OCSD regarding the inputs and methodologies used in deriving the cost allocation for OCTA.

The scope is limited to the Agreement between OCTA and OCSD for TPS. The scope excludes testing of the accuracy of cost allocation calculations since a Sheriff-Coroner Law Enforcement Service Contract Cost Study was performed by the Internal Audit Department of Orange County for FY 2012-2013, and another is planned for FY 2017-2018.

The scope included testing of a judgmental sample of ten monthly invoices for regular service and another ten charges for supplemental services. The scope also included testing of the vacancy credits included on the June 2016 and June 2017 invoices. Since the sample was non-statistical, any conclusions are limited to the sample items tested.

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.

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Audit Comment, Recommendation and Management Response

Noteworthy Accomplishment

The Manager of Security and Emergency Preparedness recognizes the need for improved information about TPS activities and continues to work with the Transit Division Central Communications Department to improve dispatch data captured by the ITMS system. These improvements provide information for better oversight of TPS activities and more informed scheduling.