



April 12, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: OC ACCESS Service Eligibility, Internal Audit Report No. 23-510

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of OC ACCESS service eligibility. Based on the audit, oversight, contract compliance, and invoice review controls are generally adequate; however, one recommendation was made to improve monitoring and enforcement of contract staffing requirements and to ensure timely notification and removal of contractor system access.

Recommendation

Direct staff to implement one recommendation provided in OC ACCESS Service Eligibility, Internal Audit Report No. 23-510.

Background

OC ACCESS is the Orange County Transportation Authority's (OCTA) paratransit service for people who are unable to use the regular, fixed-route service because of functional limitations. In order to be eligible for OC ACCESS service, passengers must be certified by OCTA after an assessment consistent with Americans with Disabilities Act eligibility criteria.

OCTA contracts with Medical Transportation Management (MTM) to conduct in-person assessments and provide paratransit eligibility determinations for all OC ACCESS service applicants. Agreement No. C-9-1621 (contract) between OCTA and MTM, in the amount of \$3,062,666.00, was executed in July 2020, for a term of three years, with one, two-year option term. The Community Transportation Services Department (CTS) within the Operations Division is

responsible for administration of the contract with MTM and oversight of the OC ACCESS eligibility process.

OCTA's Trapeze software system (Trapeze), which is accessible to MTM, is used to manage ACCESS service eligibility. Applicant data, including the applicant's name, address, unique identification number, evaluation date, eligibility category, functional eligibility, evaluation report, and determination letter is stored within Trapeze.

Discussion

Testing found MTM is not providing specialists as required by the contract and one key position, a lead mobility evaluator, was vacant for eight months. In addition, one staff evaluator was hired without experience in the functional assessment of individuals with disabilities, as required by the contract. A requisition entered by CTS in September 2021, for a change to the project manager named in the contract, had not been processed by Contracts Administration and Materials Management (CAMM) as of the audit. Finally, as of January 2023, Trapeze system access for two MTM employees that terminated in July and September 2022, had not been removed. The Internal Audit Department (Internal Audit) recommended management implement controls to ensure MTM is providing staff as required by the contract and that procedures be improved to ensure timely notification of staffing changes and removal of Trapeze system access. In addition, CAMM should ensure amendments are processed timely. CAMM responded that the delay resulted from staff oversight. Requisitions to update key personnel were processed as of March 15, 2023. CTS responded that an amendment to the contract will be executed to update staffing requirements and controls will then be implemented to monitor compliance. In addition, CTS will implement procedures to require MTM promptly notify OCTA of staffing changes for purposes of removing system access.

Summary

Internal Audit has completed an audit of OC ACCESS service eligibility and has offered one recommendation, which management agreed to implement or otherwise address.

Attachment

- A. OC ACCESS Service Eligibility, Internal Audit Report No. 23-510

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ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



OC ACCESS Service Eligibility

Internal Audit Report No. 23-510

March 20, 2023



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Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has completed an audit of oversight controls, contract compliance, and invoice review controls related to OC ACCESS service eligibility. Based on the review, oversight, contract compliance, and invoice review controls are generally adequate; however, one recommendation was made to improve monitoring and enforcement of contract staffing requirements, and to ensure timely notification and removal of contractor system access.

Background

OC ACCESS is the Orange County Transportation Authority's (OCTA's) paratransit service for people who are unable to use the regular, fixed-route service because of functional limitations. In order to be eligible for OC ACCESS service, passengers must be certified by OCTA after an assessment consistent with Americans with Disabilities Act (ADA) eligibility criteria. A person is eligible for OC ACCESS service if they are unable to board or exit a fixed-route bus, get to or from a bus stop due to physical and/or environmental barriers, or do not have the cognitive ability to navigate the regular bus system. Eligibility is based on a person's functional abilities and limitations due to a disability, not a specific diagnosis or disability. ADA guidelines require recertification at reasonable intervals.

OCTA contracts with Medical Transportation Management, Incorporated (MTM) to conduct in-person assessments and to provide paratransit eligibility determinations for all OC ACCESS service applicants. Agreement No. C-9-1621 (contract) between OCTA and MTM in the amount of \$3,062,666.00, was executed in July 2020, for a term of three years, with one, two-year option term. Assessments are conducted at a centrally located facility within Orange County. Administration of the paratransit eligibility certification process, including management of the agreement with MTM, is handled by the Community Transportation Services (CTS) Department within the Operations Division. On average, between 400 and 500 evaluations are completed each month. CTS staff receives and reviews a minimum of 25 percent of the completed eligibility determinations from MTM to ensure proper documentation and clarity in the eligibility determination.

Applicant data is entered and stored in OCTA's Trapeze software system. Information stored in the system includes the applicant's name, address, unique identification number, evaluation date, eligibility category, functional eligibility, evaluation report with applicant photo, and determination letter.

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Objectives, Scope, and Methodology

The objectives were to assess the adequacy of controls over the eligibility process and to assess and test oversight, contract compliance, and invoice review controls.

According to Generally Accepted Government Auditing Standards (GAGAS), internal control is the system of processes that an entity's oversight body, management, and other personnel implement to provide reasonable assurance that the organization will achieve its operational, reporting, and compliance objectives. The five components are control environment, risk assessment, control activities, information and communication, and monitoring.¹ The components and principles that were evaluated as part of this audit are:

- Control Environment
 - OCTA demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- Control Activities
 - OCTA selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
 - OCTA deploys control activities through policies that establish what is expected and procedures that put policies into action.
- Monitoring
 - OCTA selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

The methodology consisted of testing a haphazard sample of 40 applicants and determining that applicant information was processed timely, determination and supporting documents were accurately recorded in Trapeze, and the applicant was notified of the eligibility determination within 21 days; testing a haphazard sample of eight monthly invoices for compliance with key contract terms, evidence of review and authorization by OCTA, and billing in accordance with contract terms; testing a haphazard sample of 12 daily logs provided by MTM for evidence of required quality control checks by CTS staff; performing physical observation of MTM facilities and conducting interviews with MTM management to determine compliance with key contract requirements; obtaining and reviewing MTM staff certificates to determine provision of specialists as required by the contract; and testing Trapeze user access for CTS and MTM staff to ensure only users requiring access are assigned access. Since the samples were non-statistical, any conclusions are limited to the sample items tested.

The scope included the period from July 1, 2021, through December 31, 2022.

¹ See U.S. Government Accountability Office publication, "Standards for Internal Control in the Federal Government," available at <http://www.gao.gov/products/GAO-14-704G>, for more information.

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We conducted this performance audit in accordance with GAGAS. 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

Monitoring of MTM Staffing

The contract identifies two key personnel, a project manager, and a lead mobility assessment evaluator. In September 2021, MTM replaced the project manager with the person previously named as the lead mobility assessment evaluator. CTS staff entered a request to amend the contract to reflect this change; however, as of January 2023, 16 months after the requisition was entered, Contracts Administration and Materials Management (CAMM) staff had not yet processed the amendment.

In addition, MTM did not propose a new lead mobility assessment evaluator until May 2022, eight months after the position was vacated. A request to amend the contract to reflect the person assigned to this position was not entered by CTS staff until February 1, 2023, eight months after the assignment.

The contract also requires MTM to employ three specialists: a physical therapist, a certified travel trainer, and a psychologist. As of the audit, in January 2023, there were no MTM staff certified in these disciplines. In addition, the contract requires MTM staff evaluators to have experience regarding the functional assessment of individuals with disabilities or experience working with individuals with disabilities. Review of the resumes of three MTM evaluators noted one that lacked such experience when hired.

Finally, as of January 2023, two MTM employees that had terminated in July and September 2022, still had access to the Trapeze system. Upon notification, system access was removed.

Recommendation 1 (CTS and CAMM):

Internal Audit recommends management implement controls to ensure MTM is providing key staff and qualified staff, as outlined in the contract. The process for notification, review, and update to MTM contract staffing should be improved to ensure that required staff is being provided, contract amendments to reflect staffing changes are processed timely, and access to OCTA's Trapeze system is terminated promptly upon termination of contract staff.

Management Response (CTS):

Community Transit Services agrees with this recommendation. CAMM has processed the requisition for key staffing changes and CTS is working with CAMM to amend the contract with MTM to exercise the option term through June 30, 2025. Once the option term has been exercised, an amendment will be executed to include revisions to the scope of work to update staff qualification requirements to industry best practices. Following this amendment, staff will implement controls to ensure compliance with staff qualification

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requirements. OCTA will also require MTM to update CTS management within 24 hours of any staff change to ensure the Trapeze system is updated promptly.

In addition, CTS Management will request MTM to provide an employee monthly report: a summary (count) of employees by position and status (full-time/part-time).

Management Response (CAMM):

As of March 15, 2023, the amendment to revise the assigned key personnel has been executed. The delay in processing the first request for the project manager's replacement was due to an oversight by CAMM staff and has been corrected by CAMM management. The request to revise the lead mobility assessment evaluator was received by CAMM in February 2023 and completed as of March 15, 2023, along with the original request for the project manager role.