



FY24 INTERNAL AUDIT ACTIVITIES REPORT

YEAR ENDING JUNE 30, 2024

PERFORMANCE & BUDGET – AUGUST 2024

Approved to Issue:

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1. Introduction

1.1. Mission of Internal Audit

The mission of internal audit is to enhance and protect organizational value by providing independent risk-based and objective assurance, advice, and insight to management. The Internal Audit Division assists the San Francisco Bay Area Rapid Transit District (BART) to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes through conducting, coordinating, and managing compliance, regulatory, legislative, and special audits and assessments with priority given to identifying and addressing internal controls and areas of fraud, waste, and abuse.

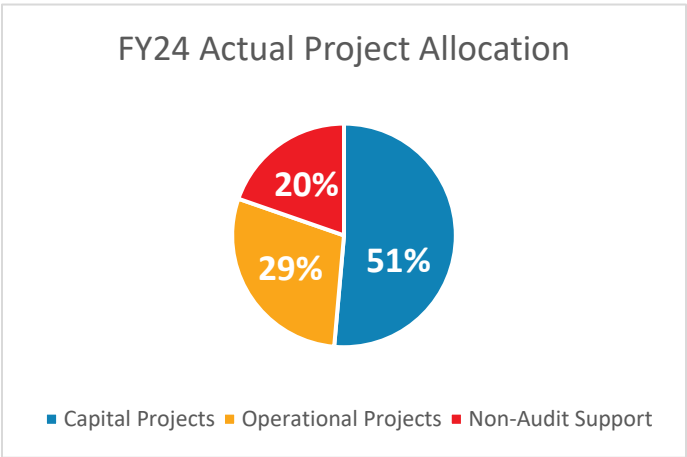
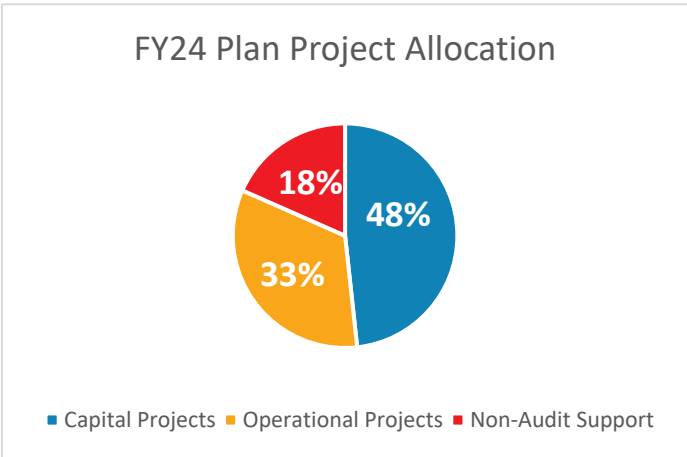
1.2. Internal Audit Authority and Responsibility

Internal Audit provides an independent assessment function and has no direct authority over the activities it audits, nor does it relieve management of any assigned responsibility. Internal Audit administratively reports to the Director of Performance and Audit (who is an indirect report to the General Manager). Internal Audit is authorized to conduct a broad program of internal auditing within BART and has full and unlimited access to all BART business units, records, systems, property, and personnel.

2. Internal Audit Activities

Internal Audit is responsible for conducting audits of the District’s contractors, operational/performance audits, and performing compliance reviews. Non-audit support activities include coordinating audits performed by external government agencies (e.g., Federal Transit Administration (FTA), Metropolitan Transportation Commission (MTC)), managing BART’s sales tax recovery services agreement, monitoring and tracking Conflict-of-Interest Notifications (COIN), and coordinating and tracking staff responses to Office on Inspector General (OIG) recommendations. Additionally, Internal Audit provides analytical non-audit support services to other BART departments and activities as requested.

The Performance & Audit Department submitted our annual risk-based Audit Plan to the Board’s Audit Committee in June 2024. Each year, the Internal Audit plan estimates the number of hours required for various activities. Our allocation of hours is based on the project priorities presented in our annual BART risk assessment process. The estimated and actual allocation of audit time is presented in the charts below. In recent years, the number of hours required to perform contract audits and related support has increased due to the number of capital projects and because some long-term on-call contracts have been



completed, which may trigger contract “true-ups” to be performed before contracts can be closed. This document summarizes the status of the audit plan’s activities (Sections 3-7) and presents outstanding recommendations from past audits and follow-up to audits from previous years, some of which were closed prior to the end of FY24 (Section 8).

3. FY24 Capital Audits and Reviews

Contractor and Subcontractor Overhead Cost Rate and Price Reviews: Contractor rate reviews determine if agreed-upon billing rates applied to planning, architectural, engineering, construction, and other projects meet the specifications of vendor contracts. Determine the reasonableness of contractor delay claim amounts and compliance with FAR Part 31 and contract provisions. Contractor reviews refer to reviewing the vendor's proposed pricing to ensure it is fair and reasonable, and based upon the vendor's costs and other criteria. Related activities include assessing contractor delay and termination claims.

Contractor financial information is confidential per BART contracts.

Audit Activity	Affected Department	FY24 Count/ FY23 Count	Average Adjustment
Capital Contract Overhead Rates*	Office of Infrastructure Delivery (OID)	207 / 130	(4.90)%
Capital Contract Delay Claims*	OID	3 / 3	\$(2,875) per day
Change Order Notifications & Reviews	OID Maintenance	56 / 87	N/A
Overhead Cost Rate Differential Collections	OID	2 / New	\$251,317 collected

* 25 Prime Firms reviewed for 87 reports and 61 Subcontractor Firms reviewed for 123 reports.

4. FY24 Operational/Performance Audit Detailed Summaries

Operational/Performance Audits: Operational audits provide an objective analysis of business operating processes, procedures, programs, and related controls. Operational audits focus on improving program performance, reducing costs, facilitating decision-making for implementing corrective action (a.k.a. Management Action Plans (MAPs)), and contributing to public accountability. Operational audits generally include elements of both internal control and compliance reviews. The audits listed are those that changed status in FY24.

Audit/Activity	Affected Department	Audit Objective	Status	Details
Cybersecurity Assessment Tool for Transit (CATT) FY24	Office of Chief Information Officer (OCIO) Train Control Operation Technology System (OT)	The objective of the assessment is to be proactive regarding potential cybersecurity issues and to minimize findings during the next FTA Triennial Review. The result of this assessment will be used for process gap remediation planning.	Complete	The assessment indicates that Cybersecurity preparedness and resilience differ among OCIO, Train Control, and OT Systems. IA has made recommendations to management to continue performing and improving noted processes and to retain all supporting evidence for inclusion in the next FTA Triennial Review, as necessary.
Vendor Fuel Cost Controls Audit FY24	Maintenance & Engineering	Determine whether internal controls over fuel management are effective and whether contractual obligations are being performed and adequately monitored.	Complete	IA has made recommendations to improve and enhance these internal controls. The Internal Audit Division will continue to monitor implementation and follow up on action plans is in process.
BART Police Equipment and Inventory Audit FY23	BART Police Department	Review the purchasing, collection, maintenance, and inventory of police equipment held and used by the BART Police Department (BPD). This report contains sensitive information and must be viewed on-site.	Complete	IA has made recommendations to improve and enhance these internal controls. Additional BPD resources may be required and should be considered to implement our recommendations and follow up on action plans is in process.
Capital Reimbursements Management FY22	Budget	Determine if capital-labor hours reported on timesheets are billed in a timely and accurate manner and that management reports used to monitor and control capital-labor costs are adequate.	Complete	The Budget team has developed a data workaround, further implementation is planned for July 2024, and follow up on the action plans is in process.

Audit/Activity	Affected Department	Audit Objective	Status	Details
Driver License Monitoring & Validation Program FY20	System Safety Operations	Determine if employees operating non-revenue District vehicles are included in the District's driver's license monitoring program.	Complete	Determined that the District's controls over the Driver License program are not adequate. Follow-up on action plans is in process.
Audit of the District's California Oath Form Requirements FY21	Human Resources	Determine if a signed oath or affirmation form is on file for each BART employee.	Closed	Determined that the signed oath or affirmation form (oath form) is now on file for the noted "pre-2021" employees' files.
Status: Closed – Audit is complete, final report issued, and no outstanding findings and/or recommendations remain. Complete – Audit is complete, final report issued, but outstanding findings need to be addressed and/or recommendations remain for follow-up. In Progress – Audit work started and is continuous. On-going – Recurring audit work with no definitive end date. On Hold – Audit work was planned but not commenced or audit work was started but suspended by audit staff.				

5. FY24 Non-Audit Support & Monitoring

Non-audit Support and Monitoring – Non-audit services may be provided at the request of management to perform tasks that directly support BART operations or to provide information or data without verification, analysis, or evaluation that may or may not result in the issuance of a report. Advisory services that are agreed upon by the client and are intended to add value and improve the District’s governance, risk management, and control processes without the Internal Audit assuming management responsibility, for example, counsel, advice, facilitation, and training. Also includes Regulatory Audits as required by regulatory and funding agencies such as the Federal Transportation Administration (FTA), Metropolitan Transportation Commission (MTC), and Caltrans. Requirements or guidelines for these audits may be specified by the regulatory agencies, and Internal Audit will act as the main point of contact and liaison between departments and regulators.

Activity	Affected Department(S)	Objective	Status	Details
Audit Recommendation Follow-up and Reporting	Multiple	Determine the status of prior internal audit recommendations and provide status reports to managers.	On-going	For follow-ups on the most recently completed audits, please refer to Section 8.0.
Safe Harbor Rate (SHR) Program	Office of Infrastructure Delivery (OID)	SHR serves small businesses providing engineering and construction services (mostly subconsultants) that lack a FAR-compliant indirect cost rate.	On-going	The program launched in February 2024, in concert with Caltrans.
Management Responses to Office of Inspector General (OIG) Monitoring	Multiple	To ensure that all Office of Inspector General recommendations are responded to by management in a timely manner and that corrective action implementations are tracked, and follow-up is performed.	On-going	Master corrective action tracking list maintained. Scheduled reminders were provided to pertinent BART staff.
Conflict-of-Interest Notification (COIN) Monitoring	Project Teams	Develop a process to evaluate reported potential conflicts of interest in coordination with stakeholders.	On-going	The COIN system has processed 33 potential conflicts.
Review of State Sales Tax Remitted to the District FY24	Accounting	Review reporting of sales tax recoveries to management, design report, set-up process for reporting. These activities include monitoring activities related to sales tax recovery services. We	On-going	For FY24, the State remitted an additional \$78,499 in sales tax to the District based on recoveries identified.

Activity	Affected Department(S)	Objective	Status	Details
		validated Sales Tax Underpayments Recovered by the contractor on BART's behalf.		
Triennial Performance Audit of the Bay Area Rapid Transit District (BART)	Various	PUC Section 99246 requires that a performance audit be conducted every three years of each public transit agency that receives TDA funds. MTC, as the Regional Transportation Planning Agency for the nine-county Bay Area, contracts with an independent auditor to conduct the triennial performance audit of transit operators that receive TDA Articles 3, 4, 4.5, or 8 funds.	On-going	Phase I Complete – no findings. Phase II – ongoing, pending final report, no findings in the draft.
Triennial Performance Audit of The East Bay Paratransit Consortium (EBPC)	Various	PUC Section 99246 requires that a performance audit be conducted every three years of each public transit agency that receives TDA funds.	On-going	Phase I Complete – no findings. Phase II – ongoing, pending final report, no findings in the draft.
San Francisco Bay Area Rapid Transit District (BART) Caltrans Project Audits	Various	At the request of the California Department of Transportation (Caltrans), the Independent Office of Audits and Investigations, the California Department of Finance, Office of State Audits and Evaluations (OSAE), will audit the San Francisco Bay Area Rapid Transit District's (BART) projects: Transbay Corridor Core Capacity Program, BART Earthquake Safety Program, Fruitvale and Coliseum Stations, and BART Station Modernization Program - 19th Street BART Station.	Cancelled	The Department of Finance's OSAE, on behalf of Caltrans, was conducting this audit. OSAE then "withdrew" the audit in October 2023 without a detailed explanation. It was noted that Caltrans may continue the audit at a later date. No findings were noted but an audit report was not drafted or issued.
Board Property FY23	District Secretary Office (DSO)	Conduct the required annual review for compliance with the Rules of the Board of Directors on the use of District property.	Closed	No findings.

6. FY24 Performance Audit Reports Detailed Summaries

6.1 FY23 Cybersecurity Assessment Tool for Transit (CATT) (23PER003) – Released May 23, 2024

Executive Offices: Office of Chief Information Officer (OCIO), Train Control, Operation Technology System (OT)

The Internal Audit (IA) division of the San Francisco Bay Area Rapid Transit District (District or BART) performed an Assessment of Cybersecurity Readiness in anticipation of the next Federal Transit Administration (FTA) Triennial Review that will include a Cybersecurity evaluation subsection.

BACKGROUND

The objective of the assessment is to be proactive regarding potential cybersecurity issues and to minimize findings during the next FTA Triennial Review. The result of this assessment will be used for process gap remediation planning. We used the FTA's recently released 85-question Cybersecurity Assessment Tool for Transit (CATT) to perform the agency self-assessment. The CATT offers assessment ratings from 1 to 5 for each question, with 5 being the most prepared, resilient, and robust process.

The CATT has been completed and provides a list of key areas surround cybersecurity for Office of the Chief Information Officer (OCIO), Train Control, and Operational Technology to plan for the future. This was an assessment of maturity, not an audit, and will be useful in future planning and the upcoming FTA Triennial. CATT sections include the following:

- | | |
|--|-------------------------------------|
| 1. Asset Management | 6. Service Continuity Management |
| 2. Controls Management | 7. Risk Management |
| 3. Configuration and Change Management | 8. External Dependencies Management |
| 4. Vulnerability Management | 9. Training and Awareness |
| 5. Incident Management | 10. Situational Awareness |

To accomplish our objective, Internal Audit: 1) Reviewed CATT assessment questions and relevant standards; 2) Conducted planning meetings with main contacts in OCIO, Train Control, and OT Systems; 3) Discussed scenarios in operation and triggers regarding assessment risk ratings; 4) Examined assessment responses and conducted benchmarking across different groups to evaluate consistency whenever applicable; 5) Confirmed the ratings with group leaders.

AUDIT RESULTS

The assessment indicates that Cybersecurity preparedness and resilience are different among OCIO, Train Control, and OT Systems.

FURTHER ACTION REQUIRED

Internal Audit recommends management to continue performing processes with ratings of 3 to 5, explore opportunities to remediate noted processes with a CATT maturity rating of 1 and 2, set a timeline and identify project owners, identify dependencies and work across functions to implement new processes and controls, monitor the progress and results of the implementation, perform a reassessment using the same CATT toolkit and compare the result to the initial assessment, and retain all supporting evidence for inclusion in the next Triennial Review, as necessary.

6.2 Vendor Fuel Cost Controls Audit (23PER002) – Report Released October 11, 2023

Executive Office: Maintenance

OBJECTIVE

The objective was to determine whether internal controls over fuel management are effective and whether contractual obligations are being performed and adequately monitored.

BACKGROUND

The audit was requested by BART's interim Controller/-Treasurer and was part of Internal Audit's risk-based Calendar Year 2022 (CY22) Audit Plan. The audit period was from July 1, 2021, to December 31, 2022 (18 months).

BART uses gasoline and diesel fuel to power the District's non-revenue vehicle fleet, Antioch East Bay extension (eBART), and other engine-driven equipment. This audit is focused on the District's bulk fuel program excluding fuel cards.

The vendor supplied most of the purchased fuel via large fuel tanker trucks to the Oakland Shop and eBART. Those two locations each have significant fuel storage capacities (Oakland Shop has 2 underground storage tanks and 4 fuel pumps, and eBART has 1 large surface storage facility with a closed pumping system for the diesel-operated trains). The other yards have smaller surface tanks for limited fuel storage and provide local fueling with approximately 500 gallons or less capacity.

AUDIT RESULTS

Internal Audit found that the District's fuel vendor cost controls are not adequate to provide assurance of the accuracy of fuel purchasing, billing, and consumption, the existence of deliveries, the documentation of procedures, fuel site physical security, and the fuel tax reimbursement claim process. A consistent lack of established procedures and standardized processes allowed for inconsistent activities, contributing to the inaccurate payments made to the fuel vendor and impacted the District's ability to claim potential tax credits.

FURTHER ACTION REQUIRED

IA has made recommendations to improve and enhance these internal controls. The Internal Audit Division will continue to monitor implementation.

6.3 BART Police Equipment and Inventory Audit (22PER002) – Report Released March 31, 2023

Executive Office: BART Police Department (BPD)

OBJECTIVE

BART Internal Audit (IA) conducted an operational audit designed to review the purchasing, collection, maintenance, and inventory of police equipment held and used by the BART Police Department (BPD).

BACKGROUND

The audit was requested by BART's recently retired Chief of Police and was part of Internal Audit's risk-based Calendar Year 2022 (CY22) Audit Plan.

The San Francisco Bay Area Rapid Transit District is required by the California Department of Justice (DoJ) to keep, file, and manage complete firearm records. The DoJ maintains the Automated Firearms System (AFS) as the repository of firearm records for the State of California.

The BPD has established the 2020 BART PD Lexipol Policy Manual (Manual) to detail policies and procedures necessary to clearly define BPD's position and provide guidelines with which personnel can make administrative, investigative, and operational judgments. This Manual includes some procedures and responsibilities for the inventory of firearms and police equipment.

AUDIT RESULTS

IA found that the BPD's controls over the Police Equipment and Inventory do not adequately provide sufficient assurance of the internal inventory records. The BPD does not have a complete and accurate record of all equipment and does not conduct periodic validation, or reconciliation of the inventory records in accordance with their internal policies, as cited in the 2020 Manual. Many of these findings are legacy issues, due to legacy IT systems, the transition of responsible staff, and the impact of key staff departures.

FURTHER ACTION REQUIRED

IA has made recommendations to improve and enhance these internal controls. Additional BPD resources may be required and should be considered in order to implement our recommendations.

7. FY24 Non-Audit Detailed Summaries

7.1 Audit Recommendation Follow-Up and Monitoring

Follow-Up Activities: These activities are undertaken to determine whether audit recommendations have been implemented or otherwise satisfactorily addressed. See Section 8 below for details.

7.2 Safe Harbor Rate (SHR) Program

Background: SHR serves small businesses providing engineering and construction services (mostly subconsultants) that lack a Federal Acquisition Regulations (FAR) compliant indirect cost rate, such as businesses with insufficient: 1) financial resources to hire a certified public accountant (CPA) to conduct a FAR compliant audit; 2) financial sophistication to track costs and develop an indirect cost rate; 3) documented cost history.

As mentioned, BART's risk exposure is minimal. Potential risk if OIG investigates a particular project or subconsultant, but SHR will likely be lower than actual audited rate if such an audit was conducted.

Follow-Up Activities: Existing subcontractors who had previously utilized an SHR for Link21 project will be "grandfathered" and will be permitted to use the rate for a finite number of months (approximately 3 months, Project Team is still determining a reasonable grace period) and only if the firm has not completed the 3-year SHR term based on its original SHR start date. For FY24 the SHR program had 2 new applicants, one was rejected by Caltrans and the second qualified and is now using the SHR for its approved 3-year span.

7.3 Management Responses to Office of Inspector General (OIG) Monitoring

Background: To ensure that all Office of Inspector General recommendations are responded to by management in a timely manner and that corrective action implementations are tracked, and follow-up is performed.

Follow-Up Activities: Current key activities include the master corrective action tracking list maintenance and scheduled reminders provided to pertinent BART staff.

7.4 Conflict-of-Interest Notification (COIN) Monitoring

Background: In response to a recent Office of the Inspector General (OIG) Internal Audit (IA) strengthens BART's conflict of interest procedures, currently focusing on capital contracts. As part of these efforts, IA developed a process to evaluate reported potential conflicts of interest in coordination with stakeholders. A dedicated resource, an email (coi@bart.gov) for reporting potential conflicts of interest (COI) has been created and included on BART Contractor's Portal, coordinating with updates to the boilerplate contract and the Contractor's Code of Conduct to clarify the responsibility to report potential conflicts of interest. The process has been mapped and piloted to verify that reports are taken, standardized on a form, and distributed to key stakeholders and additional information is collected to support the determination made by the Office of General Counsel and provided to the Ethics Officer.

Follow-Up Activities: Our new COIN system process has processed 33 potential conflicts to date. With coordination from stakeholders, COIN has made 2 recommendations to remove specific individuals and update work plans to mitigate potential conflicts and voided 2 contracts due to undeclared conflicts of interest.

7.5 Sales Tax Recovery Monitoring

Background: The State of California legislation authorizes the District to impose a half-percent transaction and use tax within District boundaries for use as revenue. The tax is collected and administered by the California Department of Tax and Fee

Administration (CDTFA). In January 2024, the District contracted with HdL to monitor and evaluate sales tax collection data provided by the State to ensure that all the sales taxes due are collected and remitted by the State. The CDTFA evaluates the reported deficiencies, and, if verified, remits the additional amounts of taxes to the District. There may be a long delay from when a deficiency is identified and submitted to the CDTFA for evaluation and when the additional sales tax is subsequently remitted to the District.

Follow-Up Activities: These activities include monitoring activities related to sales tax recovery services. We validated Sales Tax Underpayments Recovered by the contractor on BART's behalf resulting in an additional approximately \$96K in sales tax revenue to the District. On its invoices, HdL shows the total recovered sales tax and the amount retained for its fee (18% per contract). The net amount is remitted to the District. Internal Audit reconciled HdL invoices received to CDTFA data obtained from their secure website. There were no exceptions noted for the periods reviewed as detailed in Table 1 below:

Table 1: Summary of Sales Tax Recover	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Total
Total Recovered Sales Tax	\$30,975	\$16,824	\$44,570	\$3,358	\$95,728
Less: HdL Commission <i>(Contract Rate: 18% of Recovery)</i>	(5,575)	(3,028)	(8,022)	(604)	(17,229)
BART Share of Recovered Sales Tax Revenue	\$25,400	\$13,796	\$36,548	\$2,754	\$78,499

7.6 TDA Triennial Performance Audit of the Bay Area Rapid Transit District (BART)

Background: The 2023 Transportation Development Act (TDA) Triennial Performance Audit of BART covering fiscal years 2019-20, 2020-21, and 2021-23. PUC Section 99246 requires that a performance audit be conducted every three years of each public transit agency that receives TDA funds. MTC, as the Regional Transportation Planning Agency for the nine-county Bay Area, contracts with an independent auditor to conduct the triennial performance audit of transit operators that receive TDA Articles 3, 4, 4.5, or 8 funds. As TDA audits were paused during the COVID-19 pandemic, all operators will be audited in this cycle to return operators to a normal audit interval.

The performance audit is being conducted for MTC in accordance with its established procedures for performance audits. The purpose of this review is to determine if BART is in compliance with the TDA requirements for data collection and reporting. BART's performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators.

Follow-Up Activities: No findings in the final report. No recommendations are suggested for BART at this time based on the results of this triennial performance audit.

7.7 TDA Triennial Performance Audit of The East Bay Paratransit Consortium (EBPC)

Background: The 2023 Transportation Development Act (TDA) Triennial Performance Audit of EBPC covering fiscal years 2019-20, 2020-21, and 2021-23. PUC Section 99246 requires that a performance audit be conducted every three years of each public transit agency that receives TDA funds. MTC, as the Regional Transportation Planning Agency for the nine-county Bay Area, contracts with an independent auditor to conduct the triennial performance audit of transit operators that receive TDA Articles 3, 4, 4.5, or 8 funds. As TDA audits were paused during the COVID-19 pandemic, all operators will be audited in this cycle to return operators to a normal audit interval.

The East Bay Paratransit Consortium (EBPC) was formed by AC Transit and BART to meet the requirements for providing ADA-mandated complementary paratransit in their overlapping service areas. In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services.

Since EPBC is a shared responsibility of both BART and AC Transit, EBPC's performance audit is included in the performance audits of both operators, as an appendix. The audit covers the period of Fiscal Years 2020 through 2022 (from July 1, 2019 through June 30, 2022).

Follow-Up Activities: No findings in the final report. No recommendations are suggested for EBPC or BART at this time based on the results of this triennial performance audit.

7.8 San Francisco Bay Area Rapid Transit District (BART) Caltrans Project Audits

Background: At the request of the California Department of Transportation (Caltrans), the Independent Office of Audits and Investigations, the California Department of Finance, Office of State Audits and Evaluations (OSAE), will audit the San Francisco Bay Area Rapid Transit District's (BART) projects listed below, Caltrans Audit Number 23A.PJCT04:

Project Number	Project Name
0020000083	Transbay Corridor Core Capacity Program
0414000549	BART Earthquake Safety Program, Fruitvale and Coliseum Stations
0419000113	BART Station Modernization Program - 19th Street BART Station

BART's management is responsible for the fair presentation of incurred costs, compliance with the executed project agreements, state and federal regulations, contract provisions, and applicable program guidelines, and the adequacy of its job cost system to accumulate and segregate reasonable, allocable, and allowable costs.

Follow-Up Activities: The audit of the above projects has been reassigned to Caltrans Independent Office of Audits and Investigations (IOAI). Therefore, the OSAE withdrew from the engagement and will not issue an audit report. No report, no findings, and no further contact from Caltrans IOAI.

7.9 FY23 Board Property Review

Background: Per the Board Rules, IA is responsible for conducting the required annual review for compliance with the Other Property Rules of the Board of Directors on the use of District property.

Follow-Up Activities: No findings, no further activities required.

8. Audit Report Follow-up Status Summary

8.1 FY23 Cybersecurity Assessment Tool for Transit (CATT) Assessment Results (23PER003) – Released May 23, 2024

Responsible Department: Office of Chief Information Officer (OCIO), Train Control, and Operation Technology System (OT)

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
01	Continue performing processes with ratings of 3 to 5.	Pending follow-up.	9/24	N/A – pending.
02	Explore opportunities to remediate noted processes with a CATT maturity rating of 1 and 2.	Pending follow-up.	9/24	N/A – pending.
03	Set a timeline and identify project owners for items from (1) and (2) above.	Pending follow-up.	9/24	N/A – pending.
04	Identify dependencies and work across functions to implement new processes and controls.	Pending follow-up.	9/24	N/A – pending.
05	Monitor the progress and results of the implementation.	Pending follow-up.	9/24	N/A – pending.
06	Perform a reassessment using the same CATT toolkit and compare the result to the initial assessment completed in October 2023 and May 2024.	Pending follow-up.	9/24	N/A – pending.
07	Retain all supporting evidence for inclusion in the next Triennial Review, as necessary.	Pending follow-up.	9/24	N/A – pending.

8.2 Audit of Fuel Vendor Cost Controls (23PER002) – Report Released October 11, 2023

Responsible Department: Maintenance

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
01	Address the underutilized and unknown assigned fobs to reduce and eliminate any legacy or lost fobs from the system. Furthermore, re-issue future or required fobs based only on specific documented requirements and maintain a detailed registry of issued fobs in order to track usage and the identity the fobs' user and/or associated vehicle.	<p>PARTIALLY IMPLEMENTED</p> <p>1.1. Fobs. All FuelMaster (FM) fobs are turned off. Fobs are no longer issued for vehicles or individuals. Also, the FuelMaster system support has been upgraded to Win10, the database from MS Access to SQL, with all prior data preserved. The Win10 System is primary now, until the full transition to FMLive. Fobs were cancelled 5/2023.</p> <p>1.2. The short-term logging process – Currently only 1-fob Manual log is used, and the existing AIMS unit's data continue to be tracked, they are being supplemented with video feed records and planned assigned employee real-time video portals. The 1-fob is attached to a manual log at the pump, which has 2 monitoring high resolution cameras now. Short-term process in progress.</p> <p>The manual binder (1-fob) is planned to be replaced with BART Security Cards, AIMS, and Video recording systems. Current manual logs show the Date, Time, Vehicle #, Name, and Amount of Fuel Type.</p> <p>1.3. Vehicle AIMS units. FM software is being upgraded to the cloud-based FMLive. The Fuel Dispensing Control System (FuelMaster to FMLive) and the existing AIM Telemetric (similar to fobs for FM but hardwired into vehicles and automates the logging of fuel pump use) vehicle units are being upgraded. AIMS vehicle units' upgrades and new installations planned through 2025, and after as critical assets are received. Fleet Data between NRVE/MAXIMO/FM will be shared so all have full vehicle descriptive data. <u>Note:</u> Most critical vehicles will be AIMS equipped, not all. FMLive System Upgrade planned 2024 CY Q2.</p>	9/24	<p>Update June 2024 –</p> <p>***The Fuel Transaction Process was upgraded to BART ID authorization on 2/28/2024):</p> <ol style="list-style-type: none"> 1. Authorize with BART ID 2. Enter Vehicle ID 3. Enter Vehicle Mileage 4. Choose Pump 5. Complete Transaction <p>***All Vehicle IDs are confirmed with Pilot Plate Reading Cameras (supplemented with video when required). These have a far superior ROI than vehicle AIMS units.</p> <p>***Island Pump Fuel Master System has been upgraded to FMLive (Cloud) Product since 6-10-2024.</p> <p>***All records are now digital, no paper.</p> <p>AIMs system is no longer needed and has been annulled.</p>

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
02	Establish and document a formal process for issuing, collecting, and transferring fobs with standardized data entry requirements in the Fuel Master system to track via unique identifiers such as Vehicle Identification Numbers (VIN), license plate numbers, and/or employee ID numbers.	<p>2.1. Fobs are no longer being issued or used. Current tracking is being expanded as systems come on-line and integrated. Fobs cancelled from 5/2023.</p> <p>2.2. FuelMaster systems are being updated with NRVE full vehicle data (plates, VIN). Procurement started 7/2023, planned through 2025.</p> <p>2.3. ID Cards. Means of tagging Employee Security ID Cards to transactions is being investigated. Planned through 2024 CY Q2.</p> <p>2.4. Means of manually assigning fuel transactions to a vehicle in FuelMaster are being investigated. Planned through 2024 CY Q2.</p> <p>2.5. More AIMS units are in Procurement and planned for vehicle installations and automated fuel/vehicle transaction recording. Procurement started 7/2023, planned through 7/2025.</p> <p>2.6. SOPs will be drafted, issued, and updated for current and new procedures implemented. Started 5/2023, ongoing.</p>	9/24	<p>Update June 2024 –</p> <p>***All Fobs were cancelled in May 2023.</p> <p>***BART ID Cards fully implemented to authorize ALL Transactions 2-28-2024.</p> <p>*** All Vehicle IDs are confirmed with Plate Reading Cameras (supplemented with high-resolution video / recording capable when required).</p> <p>***Existing AIMS vehicle units were incompatible with FMLive, Plate Reading Cameras are a better choice for Vehicle confirmations.</p> <p>***SOPs are drafted and issued.</p>
03	c. Enhance the records for fobs to include additional details in the Fuel Master system that note whether the fuel consumption will be for a single type of fuel (diesel or gasoline). Similarly, document whether the vehicle's purpose is on-road or off-road use, as this could have fuel tax implications.	<p>3.1. Fobs have been discontinued and deauthorized from system. Completed 5/2023.</p> <p>3.2. The old FuelMaster system is being transitioned to FMLive (Cloud), and vehicles /assets (inc. generators, construction equipment) detailed for road or non-road use to track taxable fuel status and use tracking. Started 8/2023. FMLive transition planned by 2024 CY Q2.</p> <p>3.3. The short-term tracking will be on a "Monthly Fixed Rail & Equipment Fuel Log" maintained on the Gravesift Foreworker. Started 5/2023 and ongoing.</p> <p>3.4. The AIMS vehicle /asset system will be updated, and more units purchased. Started 5/2023. Planned completion 5/2025.</p>	9/24	<p>Update June 2024 –</p> <p>***All Fobs were cancelled May 2023.</p> <p>***Fuel Master has been upgraded to FMLive (Cloud) Product since 6-10-2024.</p>
04	d. Perform periodic (e.g., monthly) internal reviews of Fuel Master users to identify and terminate inactive or infrequent users.	<p>4.1. Pump logs. Manual fuel transaction logs of people and vehicles are reviewed, and the records stored. It will be investigated how to transfer these to or automate these into the FuelMaster records System or database, so proper complete</p>	9/24	<p>Update June 2024 –</p> <p>*** All Fobs were cancelled May 2023.</p> <p>***All records are now digital, no paper, since February 28th, 2024. Monitoring of system use</p>

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
		<p>Tax records are maintained that can easily be transferred into rebate requests. Started 2/2023 and ongoing.</p> <p>4.2. Additional methods of validation (and enforcement) will be investigated. Started 7/2023.</p>		is conducted daily with weekly transaction reports reviewed / validated.
05	e. Replace the manual log with a more robust recordkeeping system that would allow reconciliation between the manual entries and the system-tracked transactions. Identify a single fob to act as the manual log Fuel Master fob and perform regular reconciliations of transactions to maintain accuracy and completeness.	5.1. More integration and automation will be investigated between these disparate logging methods, and new systems /methodologies that are being considered to make Bulk Fuel Distribution a robust and efficient process. Procuring updated software systems and their integration with other methods (ID Cards) of transaction authorization will eliminate manual entries so the system will automatically update records and produce meaningful and exception reporting. Started 8/2023.	9/24	<p>Update June 2024 –</p> <p>*** All Fobs were cancelled May 2023 and replaced with BART ID transaction authorization <u>since February 28th, 2024.</u></p> <p>System has been upgraded to FMLive eliminating manual transactions.</p>
06	f. Establish, document, and distribute formal policies and procedures for monitoring larger fuel transactions, such as filling the internal BART fuel trucks used for operational support outside the shop and yards. These trans-actions require additional monitoring due to the large volume and lack of secondary monitoring for that fuel being dispensed in the field.	<p>PARTIALLY IMPLEMENTED</p> <p>6.1. The short-term tracking will be on a “Monthly Fixed Rail & Equipment Fuel Log” maintained on the Gravesift Foreworker. Started 2/2023 and ongoing.</p> <p>6.2. Mobile refueling. Monitoring methods for mobile refueling at work sites, field equipment is being investigated, including mobile AIMS systems and other monitoring equipment. Started 7/2023.</p>	9/24	<p>Update June 2024 –</p> <p>Established SOPs for fuel deliveries and validation of OKS Bulk fuel deliveries and invoices. Confident we are receiving/paying for the correct volume of fuel delivered.</p> <p>Currently investigating/researching an improved technology to implement for mobile fuel transactions.</p>
07	a. Perform an analysis between delivery tickets and the volume reports from the Fuel Master system. Verify both the quantity delivered and the total quantity of fuel pumped out in the review period and further match the noted volume to the	7.1. Fuel delivery procedure/SOP (tank pre /post volumes taken at delivery, recorded with delivery note) and records are stored as retention policies. Fuel tanks at OKS cannot be “rodded” for volume, Veeder Root sensors and equipment detail tank volumes pre- and post-delivery. The Veeder Root system can also provide reports at each FuelMaster pump data download, this is now a default setting. Missing records are planned to be quantified (%) quarterly. Procedures will be reviewed and	9/24	<p>Update June 2024 –</p> <p>***SOPs are drafted and issued.</p> <p>***Weekly NRVE reports fully implemented:</p> <ol style="list-style-type: none"> 1. Transactions 2. Deliveries

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
	correlated vendor invoices. This analysis would confirm if the Fuel Master system had an accurate volume tracking function and further confirm the vendor's accuracy.	<p>updated. Ongoing before 4/2012. Review and update procedures completion 3/2023.</p> <p>7.2. Formalized reporting of deliveries, tank volumes and vehicle fills. The Bulk Fuel Delivery SOP process, such as tank reading before /after deliveries, to be correlated to delivery receipt note. Start 10/2023.</p> <p><u>Note:</u> When FM downloads pump data, it can receive tank records. This has now been set as default to receive and save tank records. Further automation of this comparison is to be investigated.</p> <p>7.3. Invoice validation to Tank records (and Spot Market Pricing) and Tax usages of fuel. Automation or further manual developments of this comparison is to be investigated. Start 10/2023.</p> <p>2.a.4. Volume accuracy (delivery, tank – Veeder Root, pump measurement (FuelMaster records pump data) will be assessment and trended. Automation of this comparison is to be investigated. Start 10/2023.</p>		<p>3. Outages</p> <p>4. % pump errors to fuel volume ledger.</p> <p>***Full fuel delivery Invoice Validation is completed and historically tracked.</p>
08	<p>Perform one of the following actions, based on the accuracy of the Fuel Master system:</p> <p>1) If the volume is accurate continue to perform ongoing Fuel Master report reviews to identify unusual activities (volume, timing, fuel type, etc.) and confirm if the details match the quantity on the vendor invoice and Internal Tracking Form as noted below in Finding 3.</p>	<p>8. FuelMaster volume accuracy (pump calibration). FuelMaster records the volume of fuel pumped, measured by the pump from the Tank into the vehicle. The Veeder Root Systems measures Tank Volumes which is comparable to delivery invoices.</p> <p>8.1. – Disagree, no actions pending. Pumped gas is not really reconcilable with deliveries. Pumped gas can be compared to Tank volume measurements between time endpoints.</p> <p>8.2. – Agree, actions pending: Automation of this process can be investigated, or manual electronic records and analysis methods derived. Under investigation, actions pending.</p> <p>8.2.i – Agree, actions planned. Refer to 3.a. for actions planned. In addition, State and County Law regulates Vendor calibration for Vendor fuel quantities. Vendor deliveries and their volume accuracy is regulated by Weights and Measures Acts. Calibration</p>	9/24	<p>Update June 2024 –</p> <p>***Fuel Ledger and pump error is assessed weekly. Average errors since December 2023 are Gas +0.5%, Diesel -6.5%.</p> <p>***Vendor deliveries are to Weights and Measures Act and validated to the Veeder Root Tank Measurement System.</p> <p>***Gas Pump Equipment is to be replaced Autumn of 2024.</p> <p>***Tank Systems have been validated and are current with all statutory inspections.</p> <p>***Fuel Ledger volumetric analysis checks for leaks and other discrepancies.</p>

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
	<p>2) If the volume is not accurate:</p> <ul style="list-style-type: none"> i. Perform verification of the fuel vendor quantities. ii. Investigate any potential source of volume errors such as alternate access to dispense fuel outside the Fuel Master system. iii. Inspect storage tank condition for potential leakage. iv. Consult with Fuel Master system support personnel for any possible system error. 	<p>certificates and frequency could be reviewed for compliance. Comparisons are trended against the Veeder Root System. Vendor delivery accuracy is regulated by law, and methods of compliance review.</p> <p>8.2.ii. - Agree, actions planned: Pumps can be disengaged from FuelMaster System. There are security/useability issues to consider. Volumetric tests could be performed of fuel dispensing. Will compare time periods first of Tank Volumes /deliveries /quantities pumped. Planned completion 12/2023.</p> <p>8.2.iii. - Agree, actions planned: Calibration of pumps could be investigated, and a regular maintenance regime scheduled. Consider after assessment.</p> <p><u>Note:</u> The pumps are ~50-years old and FuelMaster just records pump values.</p> <p>8.2.iv - Agree, actions planned: OKS tanks are underground. Tank inspections could be performed by camera if sufficient access is available. Ground leak detection surveys could be performed. Actions planned as noted on basis of volumetric trend analysis. Await volumetric trend analysis.</p>		
09	Review fob data to identify fobs used to pump both gas and diesel fuel and confirm the identified fobs are assigned to a vehicle or personnel where multiple fuel types are acceptable activities. Suspending fobs with any noted inappropriate use via incorrect fuel type.	9. – Agree, actions to date and pending: Fob data. Use of ALL individual Fobs were suspended in 5/2023. When new additional data is assigned is to vehicles (plate /vin) it can be assessed if historic records reclassification is worthwhile. Completed 5/2023.	9/24	Update June 2024 – *** All Fobs were cancelled May 2023 and replaced with BART ID transaction authorization <u>since February 28th, 2024.</u>
10	Develop a standard operating procedure for all fuel deliveries that includes the retention, review, and signing off of delivery tickets from the fuel	<p>10.a – Agree, actions to date and pending:</p> <p>10.a.1. Bulk Fuel Delivery Procedure. The Bulk Fuel Delivery SOP has been in operation pre-2012, it will be further developed, updated and improvements implemented. The use of electronic</p>	9/24	Update June 2024 – ***SOPs are drafted and issued.

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
	delivery truck drivers and Veeder-root fuel system report for the respective delivery. It is important that delivery slips are retained for invoice validation as they represent the most accurate data as noted above in Finding #1. BART staff should not rely on the vendor's portal to validate invoices or delivery tickets.	downloaded records will also be assessed for implementation. Ongoing 10.a.2. Invoice match SOP will be reviewed with Stakeholders, developed further and up issued. Started 9/2023. And quarterly meetings with Vendor planned.		***Full fuel delivery Invoice Validation is completed and historically tracked. ***Vendor deliveries are to Weights and Measures Act, and validated to the Veeder Root Tank Measurement System that has been calibrated; as well as each fuel tank has been inspected & calibrated.
11	Support the invoice approval process by entering the delivery ticket details (product type, delivery date, quantity, location, etc.) onto a standardized fuel tracking spreadsheet template (similar to eBART's current practices) and share that tracking data with Accounts Payable on a quarterly basis.	IMPLEMENTED 11.1. Delivery tracking records and Invoice Approval. The supervisor is presently following eBART's current practice. eBART process adopted 2/2023.	~	Update June 2024 – ***SOPs are drafted and issued. ***Full fuel delivery Invoice Validation is completed and historically tracked. ***Vendor deliveries are to Weights and Measures Act and validated to the Veeder Root Tank Measurement System.
12	Enhance the existing review procedures for fuel invoices on a periodic but consistent basis to include the following: 1) Compare the internal tracking sheet, as noted in Finding #3 above, to the vendor delivery summary report available per the fuel service contract. 2) Compare the unit price per the vendor invoice to the OPIS	PARTIALLY IMPLEMENTED 12.1. Bulk Fuel Invoice practices. Compare the period delivery tracking (eBART) chart to Vendor delivery summary to invoice and spot prices recorded and tax rates invoiced. No discrepancies found for new vendor. 12.2. Resolve discrepancies. No discrepancies found for new vendor. 12.3. Resolve delivery tax rates invoiced against the REAL use of fuel. Start 10/2023, planned completion 6/2024. 12.4. New NRVE Admin Analyst will be assigned this task. Analyst assigned task 11/2023.	9/24	Update June 2024 – ***Full fuel delivery Invoice Validation is completed and historically tracked by Analyst. ***Discrepancies in taxes and refunds are being pursued. ***Federal tax forms for reimbursement of incorrect Fed Tax was submitted in April 2024.

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
	<p>index and the contractual discount rate.</p> <p>3) Compare the tax rate on the invoice to the applicable tax rate for the invoice period and product as noted in the "Fuel Tax Guide v3.1" or subsequent updated versions of similar guidance.</p> <p>4) Identify and resolve discrepancies directly with the vendor in a timely manner.</p>			
13	Create a fixed unit price Purchase Order (PO) for the DEF product and enable auto-matching between the PO and the invoice to verify the accuracy of the billing price.	13.1. DEF deliveries and pricing are part of the BART Global 5-year Bulk Fuel contract – this is included in bulk fuel SOP. Management will discuss with Procurement regarding setting a separate PO for DEF that may allow automatic price checking. Start 10/2023.	9/24	Update June 2024 – ***DEF is fixed price in current contract. Met with Fuel contractor to confirm fixed price and invoicing discrepancy.
14	Enhance the existing "Fuel Tax Guide v3.1" and establish a specific monitoring procedure, with a detailed timeline to track off-road use of fuel for core BART shops that are acceptable to the California Department of Tax and Fee Administration (CDTFA) for Excise/Road tax. It is important to document and monitor the off-road vs. on-road function of key vehicles for tax purposes.	<p>14.1. Monthly Fixed Rail and Equipment fuel log has been on place since 2/2022. Started 2/2022 and on-going.</p> <p>14.2. Automation of this process will be investigated so quarterly refunds can be requested of fuel taxes where use was for non-road assets. Start 10/2023, planned completion 6/2024.</p>	9/24	<p>***Established periodic meetings with Fuel Contractor to confirm precise fuel taxes the district should be assessed.</p> <p>***Working with Account Payable to update and better monitor the taxes for fuel, including the invoice and delivery tracking form to confirm fuel type, volume and purpose for tax purposes.</p> <p>Updated June 2024 as Ongoing.</p>
15	File a "Diesel Fuel Claim for Refund on Nontaxable Uses" with the State Controller's Office for the last 3 years and,	15.1. Complete analysis /reporting will be reviewed to substantiate refund request form filing. Will work with Stakeholders to formalize this process for future quarters. Start	9/24	***Established internal reviews / tracking of all fuel invoices to ensure proper fuel taxation.

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
	going forward, on an annual basis.	10/2023, planned completion 6/2024. Refund filing submission planned 12/2023.		***Working with Accounts Payable to update and better monitor the taxes for fuel, including the invoice and delivery tracking form to confirm fuel type, volume and purpose for tax purposes. Updated June 2024 as Ongoing.
16	Standardize and distribute contract verification procedures and responsibilities through formal documentation. These procedures should include but are not limited to the use of noted internal tracking sheet (as noted in Finding #3), fuel rate confirmations, vendor contractual obligation verification (e.g., OPIS rates being provided with invoice per contract), tax rate validation responsibilities, and monitoring potential and existing fuel claims with the State.	16.1. Presently these activities are being performed. Ongoing. 16.2. Procedure will be written and implemented, then updated periodically. SOP Draft completion 11/2023. 16.3. Process for Tax refunds from off-road asset/rail vehicle use will be developed and documented. Start 10/2023, planned completion 6/2024.	9/24	***Working with Accounts Payable to update and better monitor the taxes for fuel, including the invoice and delivery tracking form to confirm fuel type, volume, and purpose for tax purposes. Update June 2024 – ***SOPs are drafted and issued.
17	Conduct recurring meetings among stakeholders in Operations, including shop and yard personnel; Purchasing, and Accounts Payable to communicate fuel vendor issues, update guidance, and exchange information cross-functionally.	17.1. NRVE /Purchasing /AP Stakeholders address discrepancies found on a continuous basis. Started 10/2023 and ongoing. 17.2. No invoice discrepancies have been found with new vendor. Ongoing reviews. 17.3. Quarterly meeting will be established with vendor to discuss any issues and vendor will be contacted immediately if issues arise. Start planned 10/2023.	9/24	Update June 2024 – ***SOPs are drafted and issued. ***Full fuel delivery Invoice Validation is completed and historically tracked. ***Vendor deliveries are to the Weights and Measures Act and validated to the Veeder Root Tank Measurement System. ***Quarterly Meeting is implemented.
18	Install security cameras that can detect the license plate of a vehicle to ensure appropriate	PARTIALLY IMPLEMENTED 18.1. A 2 nd and high-resolution Cameras have replaced /been installed to view the pumps and visibility has been greatly	9/24	Update June 2024 – ***Cameras fully implemented:

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
	access and add signs about the camera function in Oakland Shop after consulting with appropriate stakeholders for any potential labor relations impact and privacy implications.	<p>enhanced. These do not have associated license plate reading technology attached. Completed 6/2023.</p> <p>18.2. Video vehicle plate reading technology would be of huge benefit and simplify reporting, also allowing very useful exception reporting. System timing must be synchronized uniformly between different reporting systems, and systems integrated. This is being investigated for implementation.</p> <p><u>Note:</u> Not all vehicles have front plates. Started 9/2023 and ongoing.</p>		<ol style="list-style-type: none"> 1. Plate reading Cameras Pilot completed, need to transition to permanent installation. 2. Security Cameras, with ~7-day records retention implemented.
19	Compare the newly installed camera license plate data to the District's vehicle inventory records, and identify unauthorized vehicles, unusual frequency, access, or timing.	<p>19.1. This process is currently manual. This would be an absolute huge benefit and streamline record keeping and data integration. All District asset license plates are in Maximo. NRVE Foreworkers report any unauthorized vehicle activity and video is requested for a time period for review and proving data. Started 4/2012 and ongoing.</p> <p>19.2. If enforceable evidence is found Managers or Supervisor inform responsible Superintendent is notified. Started 4/2012 and ongoing.</p> <p>19.3. Real-time video feeds are being requested for designated employees, though this would still be a manual process. Currently video data must be requested for dates and within a time range. Permission has been requested for Designated Employees to be given real-time access to the video feeds, so operations can be monitored, and prior history reviewed for events. Stared 8/2023 and ongoing.</p> <p>19.4. The use of real-time vehicle license plate cameras, with records and analysis capabilities to identify exception reporting would be of great assistance. Efficient integration with the FuelMaster System will be investigated. Started 9/2012 and ongoing.</p>	9/24	<p>Update June 2024 –</p> <p>***License Plate Reading Cameras Pilot successfully completed and integrated into validation analysis.</p> <p>***Need to procure permanent Plate Reading Cameras Installation and automate analysis validation.</p>
20	Consider additional security measures, such as additional cameras or modifying existing	20.1. Will discuss with RS&S Management and investigate. Started 9/2023.	9/24	<p>Update June 2024 –</p> <p>***Pending.</p>

#	Recommendations	YTD Progress	Est. End Date	June 2024 Update
	cameras to include surface tanks in profile, for the existing surface tanks at the yards (Hayward, Concord, Daly City, and Richmond).	Note: this item includes Hayward, Concord, Daly City, and Richmond Yards, not just OKS.		***Implementation of FMLive at these locations under consideration.
21	Send periodic reminders to relevant personnel about the proper use of the District's fuel, including penalties for misuse or abuse, to encourage the prevention of theft and/or fuel misappropriation.	PARTIALLY IMPLEMENTED 21.1. Reviewing and updating current SOP.	9/24	Update June 2024 – Completed via email bulletin and reminders to all relevant staff. ***Implemented since March 2024, completed 8/2023. and ongoing as required.
22	Explore existing control measures, such as the employee badge reader, or new tools and systems to restrict fuel access to authorized individuals and identify who is performing the fueling.	23.1. The investigation of alternative options to better monitor fuel transactions, and the integration of these systems is in process. Such include Employee Security Badges and Vehicle Plate reading cameras. Started 3/2023 and ongoing. 23.2. New AIM's software (FMLive cloud based) and components are being procured. This will require a transition process from the very old software and supporting hardware through multiple steps. Started 3/2023 with planned Software completion 2024 Q2.	9/24	Update June 2024 – ***BART ID transaction authorization <u>since February 28th, 2024.</u> ***All fuel transaction data available for DLMP analysis since April 2024.
23	Periodically review employee badge access to fueling equipment and remove transferred, terminated, or other unauthorized personnel to limit fuel access to only authorized personnel.	23.1. This practice of using Employee Security Badges as part of the Transaction Authorization Process is being investigated and will start if it can be automated and integrated with the fuel control system. Started 6/2023 and ongoing.	9/24	Update June 2024 – ***BART ID transaction authorization <u>since February 28th, 2024.</u>
24	Assess and implement measures to secure the Oakland Shop main gate to prevent unauthorized access.	IMPLEMENTED 24.1. Gates have been installed at entry locations to yard. Completed 7/2023.	~	Gates have been installed to increase security and better control access to fuel areas. Update June 2024 – ***Completed previously.

8.3 Audit of BPD Inventory and Equipment Follow-Up (22PER002) – Report Released March 31, 2023

Responsible Department: BART Police Department

Details have been redacted due to the sensitivity of non-public information, the Board and Audit Committee may request direct viewing under controlled circumstances.

Summary of Response: Limited update: BPD does not have Maximo yet, and many recommendations are predicated on the implementation of Maximo. BPD has been unsuccessful in hiring a Community Services Officer (CSO) for internal support. Pending further resolution.

8.4 Audit of Capital Reimbursement Management (20PER006) - Released April 28, 2022

Responsible Department(s): Budget Department and Office of the Chief Information Officer (OCIO)

#	Recommendation	YTD Progress	Est. End Date	July 2024 Update
01	Enhance the Expected to Recover (ETR) report to include a breakdown of the amount component by the number of hours, Full-Time Equivalent (FTE), and corresponding unit rates.	<p>Per OCIO, this recommendation requires components that are currently unavailable in BART's data infrastructure. They believe it may be able to be implemented in FY24. The ETR reports are very limiting as they do not allow us to see employee-level recoveries, just dollar amounts by cost center.</p> <p>We have been pursuing a different approach by combining budgeted hours (from Hyperion) against actual hours (from PeopleSoft) to determine how recoveries are going.</p> <p>We have found this approach to be more straightforward and flexible, which has allowed us to more quickly identify where the District is under-recovering. We are in the process of reallocating positions to better match actuals and ideally drive down unfavorable variance on capital reimbursements. Revised the follow-up estimated date of implementation to July 2024.</p>	7/24	The Budgets department has been working with BART Analytics to improve the method for accounting for vacancies when reporting on capital reimbursements against the budget, resulting in a new dashboard.

8.5 District's California Oath Form Requirements (21PER008) - Released May 10, 2021

Responsible Department: Human Resources

#	Recommendation	YTD Progress	Est. End Date	June 2024 Update
01	Ensure there is a signed oath form on file for every employee. This may be achieved by asking all employees hired prior to the online preboarding process to electronically sign the oath form and keep signed forms in an online database.	<p>IMPLEMENTED</p> <p>We have assigned this project to a temporary staff member who is tasked with dedicating 30 minutes per day dedicated to completing this task. With some holidays coming up, and to allow for some buffer, we estimate that this project will be completed by 7/24.</p>	7/24	<p>The Oath of Affirmation audit project has been completed. All 3,324 of the 1972 to 2020 year (inclusive) employee files have been reviewed and corrected, as required.</p> <p>Closed June 2024.</p>

8.6 Audit of Driver License Monitoring Program (20PER001) - Released August 21, 2020

Responsible Department: Maintenance

#	Recommendation	YTD Progress	Est. End Date	June 2024 Update
01	Develop written procedures to establish the controls and procedures needed to ensure only employees with valid driver's licenses (DL) drive District vehicles on public roads. These procedures should include defining which employees should be in the Employer Pull-Notice Program (EPN) Program, how departments should use the EPN Program to manage employees driving District vehicles on public roads, and the responsibility for departments to respond to the	<p>Working with HR / Labor Relations to draft updated policies/procedures. A Driver License Monitoring Program (DLMP) committee has been created and working sessions are in-progress to develop/implement an EPN program that better meets the District's needs with the goal of expanding the program District-wide.</p> <p>Interim measure COMPLETED: All Operations employees are in the EPN Program as confirmed on 03/29/23 and controls are in place to ensure the EPN Administrator is alerted via SAMBA (Samba is the software that BART uses to check Department of Motor Vehicle Records to check if an employee has a valid driver's license.) of any employees with driver's license issues. if flagged, The Mgr. of NRVE receives notification and then they send information to the appropriate Dept Superintendent.</p>	10/24	<p>*** Updated June 2024</p> <p>While the focus has been on job classifications and members that require a Commercial Driver's License to be compliant with their Job Description (JD), we have been monitoring the approximate 800 additional personnel that were previously entered into the EPN system.</p> <p>The amended Vehicle Management Policy is currently being negotiated with Labor and the Union Presidents.</p> <p>We have completed the development of PeopleSoft, that will enable HR to positively identify which members are required to have a valid CA DL as part of their JD. We</p>

#	Recommendation	YTD Progress	Est. End Date	June 2024 Update
	EPN administrator's requests for driver lists.	<p>SAMBA notifications are sent whenever there is any activity communicated to the DMV - DUI, Accident, Speeding, Medical, etc.</p> <p>Currently, the unwritten policy is SAMBA Notifications are sent to the member's Dept Superintendent where driving restrictions are enforced. Corrective actions are taken, including requiring remedial driver safety training.</p> <p>Full measure IN PROGRESS: A new District Vehicle Use Policy is under development by an interdisciplinary committee consisting of HR, OCIO, and Operations, and led by the Chief Safety Officer.</p>		anticipate once the Policy is ratified enrolling the remaining employees into the EPN will be efficient by utilizing a mass Excel upload process.
02	Identify all employees that drive the approximately 500 District vehicles on public roads and ensure the EPN Program includes these drivers.	<p>PARTIALLY IMPLEMENTED:</p> <p>Since the audit, M&E has doubled the number of employees in the EPN program. M&E is in the process of including approximately 884 M&E employees in the EPN program.</p>	10/24	<p>*** Updated Jun 2024</p> <p>To date all employees required to have a valid CA DL as part of their JD have been identified. We are waiting for the Vehicle Management Policy to be ratified. Once signed a mass upload will be accomplished. Anticipate 1st Qtr. of FY25.</p>
03	Send requests for a driver list to the 25 departments that were not included in the EPN administrator's request on February 4, 2020, and include these departments in any future requests.	<p>PARTIALLY IMPLEMENTED:</p> <p>M&E is in the process of including approximately 884 M&E employees in the EPN program.</p> <p>Once the new improved DLMP is in place, sending requests to departments will be a seamless process as Samba is linked to employees' data in the HR system.</p>	10/24	<p>*** Updated Jun 2024</p> <p>This is no longer the approved method. We have fixed this process by onboarding HR / Peoplesoft to formally track who is required to operate a District Vehicle and that member will automatically be enrolled/removed or archived via HR records.</p>
04	Follow up with the 16 departments that did not respond to the EPN administrator's request for a driver list sent on Feb. 4, 2020.	<p>PARTIALLY IMPLEMENTED:</p> <p>The EPN Administrator has followed up with the departments but there have been significant delays in complete data submissions.</p> <p>Once the new improved DLMP is in place, sending requests to departments will be a seamless process as Samba is linked to employees' data in the HR system.</p>	10/24	<p>*** Updated Jun 2024</p> <p>Corrected this systemic problem by aligning HR with SAMBA to help manage our members who are required to operate vehicles.</p>

#	Recommendation	YTD Progress	Est. End Date	June 2024 Update
05	Follow up with the 2 departments that responded to the EPN administrator's request for a driver list on February 4, 2020, but whose response excluded 60 of their 210 employees.	<p>PARTIALLY IMPLEMENTED:</p> <p>The EPN Administrator has followed up with the departments but there have been significant delays in complete data submissions.</p> <p>Once the new improved DLMP is in place, sending requests to departments will be a seamless process as Samba is linked to employees' data in the HR system.</p>	10/24	<p>*** Updated Jun 2024</p> <p>Again, we no longer depend on department managers to provide data. HR / SAMBA will be linked, and HR will activate periodic validation reports that identify who should be monitored.</p>
06	Include information gathering and department response requirements when developing written procedures.	<p>PARTIALLY IMPLEMENTED:</p> <p>Current policy/procedures are under review. Maintenance & Engineering is working with Human Resources to establish an improved Driver License Monitoring Program (DLMP) that better meets the District's needs with the goal to expand the program District-wide.</p>	10/24	<p>*** Updated Jun 2024</p> <p>Policy and procedures are contained in the Vehicle Management Policy currently being negotiated. Anticipate a ratified policy within the 1st Qtr. of FY25.</p>
07	Provide periodic reports to departments identifying which of their employees are included in the EPN Program and to update with additional employees to be added to the EPN Program.	<p>PARTIALLY IMPLEMENTED:</p> <p>M&E is in the process of including approximately 884 M&E employees in the EPN program.</p>	10/24	<p>*** Updated Jun 2024</p> <p>We currently developing metrics for each department and periodic reports will be available and implemented.</p>
08	Instruct departments to restrict the use of District motor vehicles on public roads to only those employees in the EPN Program.	<p>PARTIALLY IMPLEMENTED:</p> <p>This will be part of the policy that Maintenance & Engineering is working with Human Resources to develop in recommendation #1.</p>	10/24	<p>*** Updated Jun 2024</p> <p>We are District Focused.</p> <p>Yes, currently Commercial Class A and B have/continue to be the focus. We will soon be moving to all DL based on JD.</p>
09	Enter employee numbers in the Samba system to facilitate a more automated and reliable matching of employees tracked in the Samba system with employee information available in the PeopleSoft HR system.	<p>PARTIALLY IMPLEMENTED:</p> <p>Once the new improved DLMP is in place, this will be a seamless process as Samba is linked to employees' data in the HR system.</p>	10/24	<p>*** Updated Jun 2024</p> <p>Yes, all commercial Class A and B members have their employee ID numbers identified. As well as all other members currently enrolled have their employee ID number identified.</p>

#	Recommendation	YTD Progress	Est. End Date	June 2024 Update
				A standardized onboarding naming convention and information gathering have been developed for onboarding member's information into SAMBA.
10	Enter the employee's cost center in the Samba system to facilitate reporting of an employee's EPN status information to the appropriate department. Alternatively, use a more automated and reliable method to determine the employee's cost center using the PeopleSoft HR system.	PARTIALLY IMPLEMENTED: Once the new improved DLMP is in place, this will be a seamless process as Samba is linked to employee cost centers in the HR system.	10/24	*** Updated Jun 2024 The CC and job classification were also part of the standardized onboarding information gathering. These are required fields in SAMBA registration for all BART employees being added.
11	Delete the existing 116 terminated and other former employees that no longer need to be tracked in the EPN Program and establish a process for identifying and deleting employees in the future that should be removed from the EPN Program.	PARTIALLY IMPLEMENTED: Once the new improved DLMP is in place, terminated employees will be automatically removed from Samba.	10/24	*** Updated Jun 2024 BART has reconciled the list of employees and has developed period report to cross-reference and compare with SAMBA's roster on a monthly basis. These period reviews can be accomplished as often as needed or requested, with the click of a mouse. Efficient.
12	Maintain records of Samba Exception Reports sent to user departments to demonstrate the frequency and completeness of this process. This could be accomplished by keeping a log or filing copies of reports and emails sent to departments.	IMPLEMENTED: The manual process of keeping the files for a year is in place. The goal is to do this electronically once the new DLMP is implemented.	~	N/A – Completed in February 2022

#	Recommendation	YTD Progress	Est. End Date	June 2024 Update
13	Maintain a control list (contact list) of departments responsible for District motor vehicles driven on public roads and use it to ensure all District departments are included in requests for driver lists.	IMPLEMENTED: Once the new improved DLMP is in place, this will be a seamless process as Samba is linked to employees' data in the HR system.	~	N/A – Completed in March 2023
14	Provide departments with a complete list of all employees in the department (using data from the Human Resources system) when requesting a list of employees that drive District vehicles on public roads.	PARTIALLY IMPLEMENTED: Once the new improved DLMP is in place, this will be a seamless process as Samba is linked to employees' data in the HR system.	10/24	*** Updated Jun 2024 Yes, all commercial Class A and B, employees are identified and monitored. Once the new Vehicle Management Policy is ratified, a mass SAMBA upload will be accomplished, and the District as a whole will be transparent with reports/metrics to ensure regulatory compliance, driver safety, and decreased District liability.