



Annual Audit Plan

Fiscal Year 2025

SANDAG

OIPA

**Office of the Independent
Performance Auditor**

Revised March 7, 2025

Introduction

Following its adoption by the Audit Committee each year, periodic review of the Office of the Independent Auditor (OIPA) Annual Audit Plan (Plan) are necessary to ensure that the OIPA is equipped to meet the goals and objectives set forth in Assembly Bill 805 (Gonzalez, 2017) and SANDAG Board Policy No. 039: Audit Policy and Advisory Committee and Audit Activities (Board Policy No. 039) and to adapt to changing priorities and circumstances. Additionally, when needed, the IPA proposes changes to the IPA's annual performance goals and measures included in the Plan. These changes are mostly identified during the Audit Committee's annual performance evaluation process of the IPA.

The proposed modifications include:

- Changes to the IPA's current¹ year performance metrics and goals based upon feedback from Audit Committee members and the IPA, and whistleblower hotline trends/experience.
- Postponement of planned reports due to changes in staffing levels.
- Streamlining the audit recommendation follow-up process to allow for additional transparency, better public access and increased efficiency.
- A continuous recommendation follow-up process based upon suggestions from management and the Audit Committee.
- A determination that departmental internal control training would yield more impactful results than a risk assessment at this time.

The following pages contain the proposed revisions to the FY 2025 Annual Audit Plan. Only the pages containing changes have been included. The original page numbers have been retained to allow for easier reference to the [prior plan](#). All additions have been highlighted; proposed deletions are denoted with a strikethrough.

¹ IPA's annual evaluation aligns with the anniversary of her hire date. Current performance period is November 14, 2024, through November 13, 2025.

Strategic Goals for Fiscal Year 2025

The strategic goals for the OIPA include those actions which will directly contribute to improving SANDAG by promoting efficiency and accountability throughout the Agency. These clearly defined goals incorporate planned audits, targeted risk management, timely recommendation follow-up, and the identification, reduction, and deterrence of fraud, waste, abuse, and gross mismanagement.

Goal #1 – Policy, Process Improvements, and System Controls

- Conduct performance audits focused on high-risk areas where improvements will create needed organizational change and address systemic issues impacting operations.

Goal #2 – Detection and Deterrence of Fraud, Waste and Abuse

- Perform timely investigations in the areas of fraud, waste, abuse, and gross mismanagement. Prioritize resources based upon potential impact to the organization, the public, and stakeholders.

Goal #3 – Enhancement of the Whistleblower Hotline Program

- Educate all SANDAG employees and governing body on the OIPA's Whistleblower Hotline Program including Whistleblower protection from retaliation.
- Develop contractor outreach campaign.

Goal #4 – Development and Monitoring of Corrective Action Plans

- Ensure OIPA's recommendations are clear, timely, and responsive, and implemented by management expeditiously.

Goal #5 – Administration

- Effective tracking of Audit Committee Requests.
- Successful recruitment and retention of staff.

Performance Measures

These performance measures are designed to evaluate the IPA's effectiveness in meeting the legislated mandate, including producing quality impactful work; maintaining and developing a professional audit team; and conducting work independently while maintaining professional and respectful working relationships with auditees, management and the governing body.

IPA Performance Measure	Target
<i>PRODUCTIVITY / INCREASED WHISTLEBLOWER HOTLINE PROGRAM AWARENESS</i>	
Audit/Investigation Reports per auditor	1.5
Budgeted vs. Actual audit hours per engagement	70%
Employee Whistleblower Hotline education and outreach events	3
<i>TRANSPARENCY AND ACCOUNTABILITY</i>	
The status of Corrective Action Plans (CAP)s in response to the OIPA's audit findings and recommendations will be verified and reported timely to the Audit Committee on an annual basis. Quarterly verbal updates will occur at the Audit Committee.	100%
The IPA will work with Management to maintain a summary of all SANDAG internal and external audit recommendations to be included in the annual CAP report.	100%
<i>LEADERSHIP</i>	
Percentage of strategic goals achieved	90%
Foster collaborative, respectful, and productive working relationships with auditee, SANDAG Board, Audit Committee, management, and staff. <i>A 360-type performance review/survey will be conducted to include, at a minimum, auditees, management, governing body and staff of SANDAG, and may include external stakeholders. Survey tool will calculate % score.</i>	75%
<i>STAFF DEVELOPMENT</i>	
Auditors will adhere to professional certification and licensing requirements, completing no less than 40 annual hours of continuing education.	100%
Increase specialized audit and investigations expertise within the OIPA. 50% of audit team to participate in specialized training in contracting and investigations.	50%

Fiscal Year 2025 Audit Plan

The Audit Plan includes projects already in process, and those that will begin in FY25, based on the above framework described in the “Prioritizing Performance Audits” section.

The number of planned audits is based on an assumed rate of 1.5 audits per auditor per year, with an average of two auditors assigned to each audit.

Audits Currently in Process and Anticipated to Be Completed in FY25

- HNTB: Evaluate if there was sufficient oversight over contractor and provided by contractor, and if SANDAG complies with established contracting requirements and models best practices

OIPA’s Required Annual Work to be Completed in FY25

- *Annual Recommendation Follow-up
(Status of Management’s Corrective Action Plans)*
- *Annual Investigations Report*
- *Annual Risk Assessment and Proposed Audit Plan*

Priority Audits/Reports/Projects to Launch in FY25

- *Independent Assessment of Finance Department (Contracted)*
- *Sole-Source Procurement Process*
- *Ethical Climate Survey*
- *Recommendation Follow-up: Publish Online Recommendation Dashboard and implement continuous recommendation follow-up process.*
- *Administration of Bike Program – EAP: Early Action Plan*
- *Departmental Internal Control Training Series*
- *Anticipate Issuing Two (2) Investigation Reports*

There are more audit topics considered for the upcoming fiscal year than resources available. For a list of all audit topics considered see Appendix C: Potential Audit Topics Considered.