



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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MEETING OF THE

AUDIT COMMITTEE

***Members of the Public are Welcome to Attend
In-Person & Remotely***

***Wednesday December 10, 2025
2:30 p.m. – 3:30 p.m.***

To Attend In-Person:

**SCAG Main Office – Policy A Meeting Room
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017**

To Attend and Participate on Your Computer:

<https://scag.zoom.us/j/86206531319>

To Attend and Participate by Phone:

**Call-in Number: 1-669-900-6833
Meeting ID: 862 0653 1319**

PUBLIC ADVISORY

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Maggie Aguilar at (213) 630-1420 or via email at aguilarm@scag.ca.gov. Agendas & Minutes are also available at: <https://scag.ca.gov/meetings-leadership>.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1895. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



Instructions for Attending the Meeting

To Attend In-Person and Provide Verbal Comments: Go to the SCAG Main Office located at 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017 or any of the remote locations noticed in the agenda. The meeting will take place in the Policy A Meeting Room on the 17th floor starting at 2:30 p.m.

To Attend by Computer: Click the following link: <https://scag.zoom.us/j/86206531319>. If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically. Select “Join Audio via Computer.” The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.

To Attend by Phone: Call **(669) 900-6833** to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully. Enter the **Meeting ID: 862 0653 1319**, followed by #. Indicate that you are a participant by pressing # to continue. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.

Instructions for Participating and Public Comments

Members of the public can participate in the meeting via written or verbal comments.

1. **In Writing:** Written comments can be emailed to: ePublicComment@scag.ca.gov. Written comments received **by 5pm on Tuesday, December 9, 2025**, will be transmitted to members of the legislative body and posted on SCAG’s website prior to the meeting. You are **not** required to submit public comments in writing or in advance of the meeting; this option is offered as a convenience should you desire not to provide comments in real time as described below. Written comments received after 5pm on Tuesday, December 9, 2025 will be announced and included as part of the official record of the meeting. Any writings or documents provided to a majority of this committee regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the Clerk, at 900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017 or by phone at (213) 630-1420, or email to aguilarm@scag.ca.gov.
2. **Remotely:** If participating in real time via Zoom or phone, please wait for the presiding officer to call the item for which you wish to speak and use the “raise hand” function on your computer or *9 by phone and wait for SCAG staff to announce your name/phone number.
3. **In-Person:** If participating in-person, you are invited but not required, to fill out and present a Public Comment Card to the Clerk of the Board or other SCAG staff prior to speaking. It is helpful to indicate whether you wish to speak during the Public Comment Period (Matters Not on the Agenda) and/or on an item listed on the agenda.

General Information for Public Comments

Verbal comments can be presented in real time during the meeting. Members of the public are allowed a total of 3 minutes for verbal comments. The presiding officer retains discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting, including equally reducing the time of all comments.

For purpose of providing public comment for items listed on the Consent Calendar, please indicate that you wish to speak when the Consent Calendar is called. Items listed on the Consent Calendar will be acted on with one motion and there will be no separate discussion of these items unless a member of the legislative body so requests, in which event, the item will be considered separately.

In accordance with SCAG’s Regional Council Policy, Article VI, Section H and California Government Code Section 54957.9, if a SCAG meeting is “willfully interrupted” and the “orderly conduct of the meeting” becomes unfeasible, the presiding officer or the Chair of the legislative body may order the removal of the individuals who are disrupting the meeting.



AUDIT COMMITTEE MEETING AGENDA

TELECONFERENCE AVAILABLE AT THESE ADDITIONAL LOCATIONS

Jenny Crosswhite City of Santa Paula - City Hall 970 E Ventura Street Santa Paula, CA 93060	Keith Eich 4821 Daleridge Road La Cañada Flintridge, CA 91011
Curt Hagman Chino Hills District Office 14010 City Center Drive Chino Hills, CA 91709	Steve Manos 53180 Odyssey Street Lake Elsinore, CA 92532
Ali Saleh City of Bell – City Hall Conference Room 6330 Pine Avenue Bell, CA 90201	Marty Simonoff 950 E. 27 th Street, 2 nd Floor Signal Hill, CA 90755
Alan Wapner City of Ontario - City Hall 303 East B Street Conference Room 2 Ontario, CA 91764	

* Under the teleconferencing rules of the Brown Act, members of the body may remotely participate at any location specified above.



AC - Audit Committee
Members – December 2025

- 1. Hon. Jenny Crosswhite**
AC Chair, Santa Paula, RC District 47
- 2. Hon. Keith Eich**
La Canada Flintridge, District 36
- 3. Sup. Curt Hagman**
San Bernardino County
- 4. Hon. Steve Manos**
Lake Elsinore, RC District 63
- 5. Hon. Ali Saleh**
Bell, RC District 27
- 6. Hon. Marty Simonoff**
Brea, RC District 22
- 7. Hon. Alan Wapner**
SBCTA Representative



AUDIT COMMITTEE AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700 – Policy A Meeting Room
Los Angeles, CA 90017
Wednesday, December 10, 2025
2:30 PM

The Audit Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as Information or Action Items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(The Honorable Jenny Crosswhite, Chair)

PUBLIC COMMENT PERIOD (Matters Not on the Agenda)

This is the time for public comments on any matter of interest within SCAG's jurisdiction that is **not** listed on the agenda. For items listed on the agenda, public comments will be received when that item is considered. Although the committee may briefly respond to statements or questions, under state law, matters presented under this item cannot be discussed or acted upon at this time.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Item

1. Minutes of the Meeting – April 22, 2025 PPG. 6

INFORMATION ITEMS

2. Eide Bailly Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025 PPG. 11
(David James, Internal Auditor, SCAG) 20 Mins.
3. Internal Audit Report on SCAG's Regional Data Platform 15 Mins. PPG. 16
(David James, Internal Auditor, SCAG)
4. Internal Audit Report on In-kind Match Contributions of Riverside County Transportation PPG. 30
Commission 15 Mins.
(David James, Internal Auditor, SCAG)
5. Audits Status Report 10 Mins. PPG. 37
(David James, Internal Auditor, SCAG)

ADJOURNMENT



AGENDA ITEM 1

MINUTES

Southern California Association of Governments
December 10, 2025

MINUTES OF THE MEETING AUDIT COMMITTEE (AC) TUESDAY, APRIL 22, 2025

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE AUDIT COMMITTEE (AC). A VIDEO AND AUDIO RECORDING OF THE FULL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The Audit Committee (AC) of the Southern California Association of Governments (SCAG) held its regular meeting both in person and virtually (telephonically and electronically). A quorum was present.

Members Present:

Hon. Ray Marquez, Chair

Hon. Keith Eich

Sup. Curt Hagman, President

Hon. Steve Manos

Hon. Ali Saleh

Hon. Marty Simonoff

Hon. Alan D. Wapner

Chino Hills

La Canada Flintridge

Lake Elsinore

Bell

Brea

District 10

District 36

San Bernardino County

District 63

District 27

District 22

SBCTA

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Due to the absence of Chair Ray Marquez, Chino Hills, at the start of the meeting, Darin Chidsey, SCAG, Chief Operating Officer, called the meeting to order at 1:04 p.m. He asked Councilmember Alan Wapner, SBCTA, to lead the Pledge of Allegiance and to Chair the AC until the arrival of Chair Marquez. The Clerk confirmed a quorum was present.

PUBLIC COMMENT PERIOD

Councilmember Alan Wapner provided detailed instructions and general information on how to provide public comments. Additionally, he noted that public comments received via email to ePublicComments@scag.ca.gov after 5 p.m. on Monday, April 21, 2025, would be announced and included as part of the official record of the meeting.

Councilmember Alan Wapner opened the public comment period and noted this was the time for members of the public to offer comment for matters that are within SCAG's jurisdiction but are not listed on the agenda.



The Clerk acknowledged there were no written public comments received via email before or after the 5 p.m. deadline on Monday, April 21, 2025. SCAG staff also noted that there were no public comments for matters not listed on the agenda.

Councilmember Alan Wapner closed the public comment period for matters not listed on the agenda.

REVIEW AND PRIORITIZE AGENDA ITEMS

There were no reprioritizations made.

CONSENT CALENDAR

Approval Item

1. Minutes of the Meeting – December 10, 2024

A MOTION was made (Manos) and SECONDED (Eich) to approve the Consent Calendar, Item No. 1. The motion passed by the following roll call vote:

AYES: Eich, Hagman, Manos, Saleh and Wapner (5)

NOES: None (0)

ABSTAIN: None (0)

There were no public comments or additional discussions from the Committee on this item.

INFORMATION ITEMS

2. Eide Bailly Annual Required Audit Communication for Financial Audits

David James, Internal Auditor, introduced Kinnaly Soukhaseum, Partner, and Kyle Bartle, Senior Manager, Eide Bailly LLP, and asked them to present the details of the Auditor's Required Communication and Scope of Work in connection with SCAG's fiscal year ended June 30, 2025 financial statements and financial audit.

The presentation included an overview of the audit scope of work, the auditor's responsibilities, and details of the audit approach for the planning and risk assessment phase of the audit. Highlights of the audit presentation included the following:

- Audit on internal control over financial reporting and on compliance in accordance with Government Auditing Standards;
- Audit of the Annual Comprehensive Financial Report (ACFR);

- Preparation of the annual Financial Transactions Report to the State Controller's Office;
- Audit on compliance requirements over major federal programs, schedule of expenditures of federal awards and internal controls in accordance with 2 CFR 200 (Single Audit);
- Testing of journal entries, account balances and classes of transactions; and assessing accounting principles;
- GASB Statement 101- Compensated Absences Impacts;
- Timing of the audit, fieldwork and exit timeline to be presented in late November, 2025.

The Committee thanked Mr. James for a thorough presentation.

There were no public comments or additional discussions from the Committee on this item.

The PowerPoint presentation *Eide Bailly – SCAG Planning Communications 2025* was included in the agenda packet.

3. Internal Audit Report on REAP 1 Grant Expenditures by Subrecipients

Chair Marquez joined the Audit Committee at 1:18 p.m. and conducted the remainder of the meeting.

David James, Internal Auditor, provided an overview of the REAP 1 Grant Expenditures by the subrecipients audit. Mr. James stated that he randomly selected three subrecipients out of 15 to determine whether SCAG and subrecipients followed SCAG policies and procedures regarding REAP 1 payments. In reviewing the invoices, the audit found that SCAG and subrecipients generally followed grant requirements but identified several areas for improvement.

Recommendations include refunding a \$60,000 overpayment due to a duplicate invoice, implementing better tracking systems for invoices, aligning billed amounts with work completion percentages, clarifying fringe benefit calculation methodologies, and addressing discrepancies between MOU requirements and actual practices for timesheet submissions. SCAG and the subrecipients have largely accepted these recommendations and are taking steps to implement them for future projects.

Staff responded to the comments and questions expressed by the Councilmembers, including responses to comments regarding training, additional steps and safeguards that have taken place to prevent overpayments to subrecipients. Staff ensured that steps have been taken and lessons learned applied toward implementing a solid process for tracking subvendor invoices to prevent duplicate submissions.

The comprehensive staff report, Internal Audit REAP 1 Final Subrecipient Report and the Internal Audit REAP 1.0 grant expenditures by subrecipients – Management Response 090424, was included in the agenda packet.

There were no public comments on this item.

4. Internal Audit Policies and Procedures Manual Update

David James, Internal Auditor, provided background information and an overview of the Internal Audit Policies and Procedures Manual update. He noted that the manual was last updated ten years ago and that the update refers to the 2024 revision of Government Auditing Standards of the U.S. Government Accountability Office. He described the types of audits that required updating, such as, the role of the Internal Auditor at SCAG, the SCAG Internal Audit Charter, the Code of Ethics, and SCAG Internal Audit Procedures.

Chair Marquez thanked Mr. James for his thorough report.

There were no public comments or additional discussions from the Committee on this item.

The comprehensive staff report along with the Internal Audit Department Policies and Procedures Manual (3-20-25) was included in the agenda packet.

5. Internal Audit Status Report

David James, Internal Auditor, presented the Internal Audit Status Report, which lists work performed since the last Audit Committee meeting. Mr. James provided a brief update of the projects currently in progress and Internal Audit projects to perform in fiscal year (FY) 2025-26. Presentation highlights included:

- Progress of Internal Audit of SCAG data
- Internal Audit of In-Kind Match
- Internal Audit of Title VI programs
- Update of SCAG's Ethics Hotline which noted one report received by SCAG staff since the last Audit Committee meeting.

Chair Marquez thanked Mr. James for the Audit Status Report update.

There were no public comments or additional discussions from the Committee on this item.

The comprehensive staff report was included in the agenda packet.

FUTURE AGENDA ITEMS

There were no future agenda items.

ANNOUNCEMENTS

There were no announcements.



ADJOURNMENT

There being no further business, Chair Marquez adjourned the Audit Committee meeting at 1:48 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE AUDIT COMMITTEE]

//

Respectfully submitted by:
Carmen Summers
Audit Committee Clerk



AGENDA ITEM 2

REPORT

Southern California Association of Governments
December 10, 2025

To: AC - Audit Committee

EXECUTIVE DIRECTOR'S
APPROVAL

From: David James, Internal Auditor
213-630-1483, djames@scag.ca.gov

Kome Ajise

Subject: Eide Bailly Audit of the Annual Comprehensive Financial Report (ACFR) for
the Fiscal Year ended June 30, 2025

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 5: Secure and optimize diverse funding sources to support regional priorities.

EXECUTIVE SUMMARY:

Eide Bailly auditors present their communication on their Audit of the Annual Comprehensive Financial Report (ACFR) and report on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards.

The financial statements audit has an unmodified opinion on SCAG's ACFR for the fiscal year ended June 30, 2025. No material weaknesses or significant deficiencies were reported for their audit.

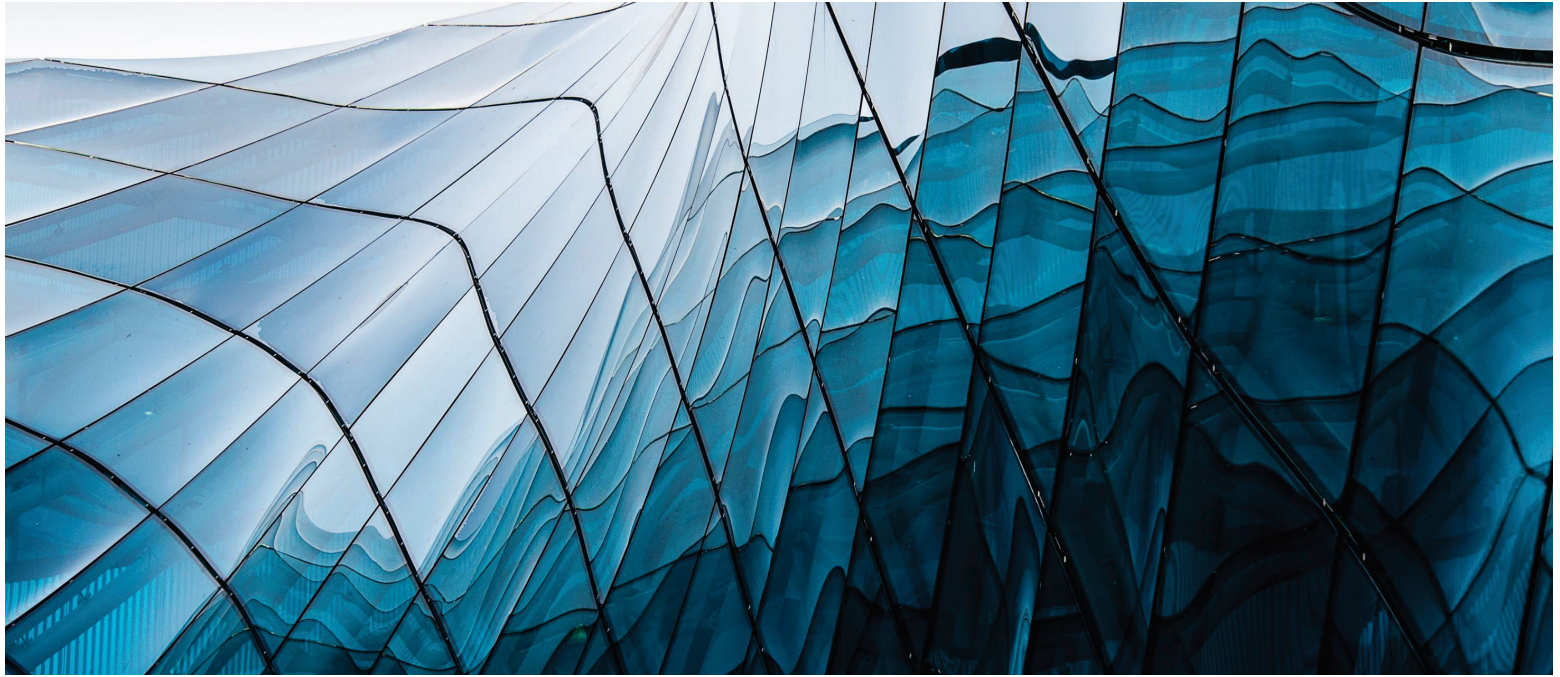
The Annual Comprehensive Financial Report (ACFR) is at: <https://scag.ca.gov/financial-reports>.

FISCAL IMPACT:

None

ATTACHMENT(S):

1. PowerPoint Presentation - Communication with Those Charged with Governance
-



Southern California Association of Governments (SCAG)

Communication with Those Charged with Governance
December 10, 2025



1



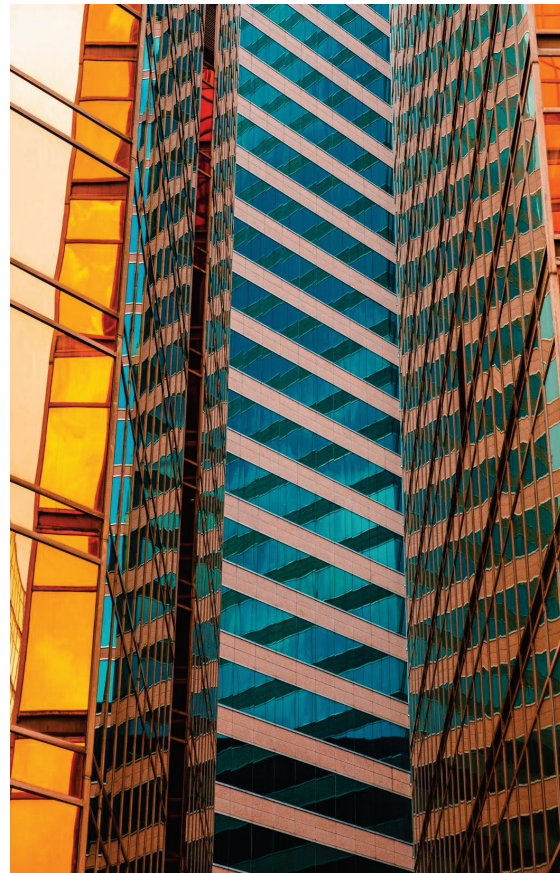
Audit Services

- Audit of the Annual Comprehensive Financial Report (ACFR)
- Report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*
- Single Audit – Anticipated to be completed by March 31, 2026.



Our Responsibility in Accordance with Professional Standards

- Form and express an opinion about whether the financial statements which are the responsibility of management, with your oversight, are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.



3

Summary of Audit Results



Financial Statements

- Unmodified opinion on SCAG's ACFR for the fiscal year ended June 30, 2025.



Government Auditing Standards

- No material weaknesses or significant deficiencies were reported for our audit of the fiscal year ended June 30, 2025.

4

Auditor Communications

Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

Significant Accounting Policies

- Summary of significant accounting policies – Note 1
- Adopted GASB 101, *Compensated Absences*, as of July 1, 2024 – Refer to Note 16

Significant Risks Identified

- Management override of internal controls
- Revenue recognition
- Estimates related to the pension amounts
- Estimates related to the other post-employment benefit amounts

Sensitive Estimate/Disclosure

- Pension liabilities of the CalPERS and PARS plans (Note 12)
- OPEB liability (Note 14)
- Sick leave included in the compensated absences liability – Note 1(l) and Note 10

Corrected and Uncorrected Misstatements

- There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Circumstances that Affect the Form and Content of the Auditor's Report

- An emphasis of matter paragraph was included in our report to draw attention to the disclosures for the adoption GASB 101, *Compensated Absences*.

Significant Difficulties

- We encountered no significant difficulties in dealing with management.

Disagreements with Management

- No disagreements arose during the course of the audit.



Kinnaly Soukhaseum | Partner
909.755.2823 | ksoukhaseum@eidebailly.com

Kyle Bartle | Senior Manager
916.999.8512 | kbartle@eidebailly.com

Thank you

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.



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AGENDA ITEM 3

REPORT

Southern California Association of Governments
December 10, 2025

To: AC - Audit Committee

EXECUTIVE DIRECTOR'S
APPROVAL

From: David James, Internal Auditor
213-630-1483, djames@scag.ca.gov

Kome Ajise

Subject: Internal Audit Report on SCAG's Regional Data Platform

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 3: Spur innovation and action through leadership in research, analysis and information sharing.

EXECUTIVE SUMMARY:

In general, Internal Audit found that SCAG's Regional Data Platform (RDP) meets its purpose to provide access to data and tools to support planning and information-based decision making. However, in the RDP this audit found issues with ten datasets not working, datasets with apparently outdated data, staff's ongoing responsibility for datasets, and legal disclaimers for datasets. For details, see the Observations and Recommendations section of the report.

BACKGROUND:

SCAG's Regional Data Platform (RDP), launched in 2021, is part of the value proposition that SCAG offers to its members and the public. The RDP is used by SCAG members, local government staff, planners, academics, students, and the public. The RDP Content Library has 118 datasets and 32 applications and maps.

The goals of the RDP are to:

- Provide access to data, tools, and practices that support stronger planning and information-based decision making.
 - Streamline the exchange of data between jurisdictions and partners across the region while establishing procedures and standards for geospatial data consistency.
 - Establish a community of planners, Geographic Information System (GIS) professionals, and practitioners to foster collaboration and collective learning and guide the growth of the RDP.
-



FISCAL IMPACT:

None

ATTACHMENT(S):

1. Internal Audit Report on SCAG's Regional Data Platform 6-23-2025
2. Management Response to Internal Audit Report on the Regional Data Platform 7-28-2025



**SCAG Internal Audit
Report on SCAG's
Regional Data Platform**

June 23, 2025

By David James, CPA

SCAG Internal Audit Manager

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Executive Summary

In general, Internal Audit found that SCAG's Regional Data Platform (RDP) meets its purpose to provide access to data and tools to support planning and information-based decision making. However, in the RDP this audit found issues with ten datasets not working, datasets with apparently outdated data, staff's ongoing responsibility for datasets, and legal disclaimers for datasets. For details, see the *Observations and Recommendations* section on page 6.

Audit Objectives and Scope

The primary objectives of this audit were to assess SCAG's Regional Data Platform for:

- Functionality of datasets.
- Usefulness and currentness of Regional Data Platform data.
- Processes around how datasets are accessed and maintained.

The audit scope covers public-facing datasets on SCAG's website as found on the Regional Data Platform datasets from February through May 2025 on SCAG's website at <https://scag.ca.gov/RDP>. This audit does not include SCAG's data for its internal operations such as financial systems, Human Resources, or Information Technology.

Audit Methodology

To achieve the audit objectives, Internal Audit performed the following:

- Reviewed relevant SCAG policies, procedures, and documents.
- Interviewed SCAG Planning and Information Technology personnel who work with SCAG data.
- Reviewed processes for creation and maintenance of the Regional Data Platform data.
- Obtained an understanding of internal controls and evaluated control design and effectiveness.
- Evaluated Regional Data Platform datasets for utility and currentness of data.

Background of SCAG's Regional Data Platform

SCAG's Regional Data Platform (RDP), launched in 2021, is part of the value proposition that SCAG offers to its members and the public. The RDP is used by SCAG members, local government staff, planners, academics, students, and the public. The RDP Content Library has 118 datasets and 32 applications and maps.

SCAG staff use Google Analytics to track use of RDP. In a report for usage in the first three months of 2025, there was a monthly average of 1,387 unique users, with 1,120 new users and 420 returning users. The number of users seems consistent month-to-month.

A new user and a returning user can be the same person in a month. Also, a user can visit the site once, download SCAG datasets, and use them numerous times on their own devices. The uses after download cannot be tracked and are not reflected in the analytics. Users performing analysis using these datasets outside of the RDP applications are likely to use this approach.

The RDP Content Library is the most official set of SCAG data, and most data is GIS or spatially based. RDP data and tools facilitate integration with the existing ArcGIS platforms used by member agencies. The various analytical tools and regional datasets provided through the RDP enhance the capacity of

users in the SCAG region to conduct analysis, assess land use policy options, and more effectively collaborate throughout the planning and project design process.

The goals of the RDP are to:

- Provide access to data, tools, and practices that support stronger planning and information-based decision making.
- Streamline the exchange of data between jurisdictions and partners across the region while establishing procedures and standards for geospatial data consistency.
- Establish a community of planners, Geographic Information System (GIS) professionals, and practitioners to foster collaboration and collective learning and guide the growth of the RDP.

The RDP provides access to:

- Tools and workflows to streamline local and regional data collection, sharing and integration through the Local Data Exchange, a private portal for local jurisdictions.
- A system to request technical assistance from SCAG's Local Information Services Team.
- Web-based tools and applications to support planning, analysis, and public engagement.
- Authoritative and standardized local and regional planning datasets.
- A library of learning resources and training materials.
- A network of local and regional planners across Southern California.

The RDP is organized into five sections:

1. Content Library: a repository of spatial and non-spatial data to download in various formats.
2. Applications & Maps: web applications and web maps developed and updated by SCAG.
3. Planner's Corner: for sharing tools, best practices, training, and tutorials to assist local planning.
4. Local Data Exchange (LDX) Portal: where local jurisdictions can share data and collaborate with SCAG during Connect SoCal development.
5. Request Technical Assistance Portal: features a form to request technical assistance, submit feedback, request one-on-one training or a live demonstration, and request data.

Data Sources

SCAG developed and owns most of the RDP data. SCAG also uses data from federal, state, and local governments. SCAG combines data from many sources to create reports to assist its members and planners in their governmental planning functions.

Some of the external sources of data used in the RDP Content Library are:

- CalFire for fire hazard data.
- California Air Resources Board for air quality and emissions data.
- California Department of Conservation for farmland information.
- California Department of Fish and Game for lake, reservoir, and pond data.
- California Department of Fish and Wildlife for land and boundary data.
- California Protected Areas Database (CPAD) depicting lands owned in fee and open space.
- Caltrans for highway datasets.
- Esri for demographics including population, spending, and business data.

- Federal Emergency Management Agency for flood data.
- Federal Highway Administration for the National Household Travel Survey.
- InfoUSA locational data.
- National Oceanic and Atmospheric Administration for sea level data.
- Six county assessor's offices in the SCAG region.
- TomTom for traffic data.
- United States Department of Agriculture for food sources data.
- United States Environmental Protection Agency for retail intensity data.
- University of California Berkeley's Transportation Injury Mapping System (TIMS).
- US Census Bureau's American Community Survey for housing data.

Key Internal Controls on RDP Datasets

1. SCAG staff ensure that all GIS data complies with SCAG's Enterprise GIS (EGIS) data policies and standards.
2. SCAG relies on authoritative data from sources like federal, state, and local governments.
3. Geodata stewards in the Planning Division review for data accuracy and issues. Geodatabase administrators in the IT Division review for technology standards.
4. A SCAG data steward is assigned to each dataset to verify data is correct and the application is working correctly.
5. SCAG notes on its databases the following: "This data is intended for planning purposes only, and SCAG shall incur no responsibility or liability as to the completeness, currentness, or accuracy of this information. SCAG assumes no responsibility arising from use of this information by individuals, businesses, or other public entities. The information is provided with no warranty of any kind, expressed or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose."
6. SCAG's GIS Steering Committee provides high-level, cross-divisional governance and coordination.

Observations and Recommendations

Observation 1: Some Regional Data Platform Datasets Not Functioning

Some datasets in the Regional Data Platform are not functioning. Staff informed Internal Audit that for most of these datasets the Application Programming Interface (API) is no longer operating. API is a set of rules and protocols that allow different software applications to communicate with each other. APIs enable the integration of data, services, and functionalities from other applications. For most of the datasets in the RDP, the data is not stored inhouse at SCAG. The nonfunctioning datasets are:

- *Active Transportation Database*. SCAG is migrating Active Transportation Database to Caltrans.
- *California Air Districts - SCAG Region*. The error message stated, "Service unavailable. We are unable to contact the host service. Downloads and map functionality are currently unavailable for this item."
- *California Electric Substation*. The error message stated, "Service unavailable. We are unable to contact the host service. Downloads and map functionality are currently unavailable for this item."
- *California Electric Transmission Lines*. The error message stated, "Service unavailable. We are unable to contact the host service. Downloads and map functionality are currently unavailable for this item."
- *California Landslide Zones*. The error message stated, "Service status unknown. We are unable to access the secure service as it requires additional authorization. Downloads and map functionality are currently unavailable for the item."
- *California Liquefaction Zones*. The error message stated, "Service status unknown. We are unable to access the secure service as it requires additional authorization. Downloads and map functionality are currently unavailable for the item."
- *Coronavirus Risk to Business – Tract*. The error message stated, "Service unavailable. We are unable to contact the host service. Downloads and map functionality are currently unavailable for this item."
- *LA County - Transit Oriented Districts (TOD)*. The error message stated, "We are unable to access the secure service as it requires additional authorization. Downloads and map functionality are currently available for the item. An error occurred fetching map content. Sorry, we are unable to draw this content on the map right now." While attempting to use, the data never loaded.
- *Overlapping Climate Hazard Areas in the SCAG Region for Connect SoCal 2024*. The error message stated, "An error occurred when generating the histogram." While attempting to use, the map disappeared.
- *Where are businesses at risk in an economic downturn?* This is a web map, but no information appears. The data is sourced from Esri's 2019 demographic estimates with business data from Data Axle. "Unable to add layer" error message. This member's information is private. Privately shared data is not accessible.

Recommendations:

1. SCAG staff should only keep working datasets and applications on the SCAG website. APIs should be updated if possible.
2. If dataset or application issues are found, staff should correct or remove the dataset or application. Staff can use SCAG's help desk ticketing system to report and track application and data errors.
3. SCAG staff should on a regular basis assess whether datasets and applications are still useful.

Observation 2: Regional Data Platform Dataset and Application Ownership

For some Regional Data Platform datasets, there is not a clear owner of datasets or applications. SCAG staff who establish datasets or applications may move to new roles or leave SCAG, and the datasets and applications no longer have a person responsible for them. There is not a clear chain of custody for datasets and applications. Staff indicated that the Planning GIS team is conducting the GIS data curation to identify the data owners of SCAG enterprise GIS datasets and to ensure those GIS datasets meet SCAG enterprise GIS data policy and standards.

Recommendations:

1. Each Regional Data Platform dataset and application should have a staff member responsible for it. SCAG should have a clear chain of custody for each. This staff member should be responsible for maintaining the accuracy and currentness of their assigned datasets.
2. When an employee changes roles or leaves SCAG, part of the exit process should be to determine what datasets and applications they are responsible for and how those will be reassigned or retired.
3. Staff should clearly define their assigned datasets and applications with a handoff plan for when staff change their responsibilities.
4. SCAG staff should maintain a list of dataset owners and a list of application owners. Staff should periodically verify the functionality of these datasets and applications. These two lists should be periodically updated for accuracy of ownership and dates verified.

Observation 3: Some RDP datasets appear out of date

Some RDP datasets appear out of date. In general, the original need for the dataset may no longer be applicable to SCAG or Regional Data Platform users.

However, we note that some useful datasets do not need to be the most current. For example, some datasets are a snapshot of what was used to develop the Connect SoCal data or a tool connected to funding that is no longer available. These datasets can be useful as a reference to SCAG's curated datasets.

Examples of potentially out of date datasets are:

- CalEnviroScreen 3.0 (by Census Tract) - SCAG Region. Data was updated June 1, 2018. oehha.ca.gov not found.

- CAL FIRE Facilities for Wildland Fire Protection. Details say data was updated February 14, 2022, but the website says updated annually, so most current data was available as of May 2024.
- *CDC Social Vulnerability Index 2018*. Data is from 2018.
- *COVID-19 Vulnerability Indicators*. Data is from 2020, per records in the data table, but “Details” says records updated on March 14, 2022. Summary says, “The data were collected in April 2020.”
- *High Injury Network SCAG*. Summary says that collision data is from 2015-2019. Data in records all says 2022, but there is no field that records date of event.
- *Public School Students Enrolled Eligible for Free and Reduced Priced Meals (FRPM) 2017-18*.
- *LA County - Transit Oriented Districts (TOD)*. The last update was October 31, 2019. Link to LA County is outdated.

Recommendations:

1. SCAG dataset owners should keep data in RDP datasets current.
2. SCAG dataset owners should keep current links to other websites referred to in the Regional Data Platform.
3. SCAG should establish a policy on how long to keep datasets in the Regional Data Platform.
4. Datasets should have clear criteria for data being current. Various types of datasets may have criteria for various periods.
5. Staff should consider having expiration dates for datasets.
6. Old datasets should be retired. As part of data inventory, there should be a schedule and methodology for retiring datasets.

Observation 4: Disclaimers for RDP Datasets and Applications

SCAG uses legal disclaimers in many, but not all, of its RDP datasets with language such as follows: “This dataset is intended for planning purposes only, and SCAG shall incur no responsibility or liability as to the completeness, currentness, or accuracy of this information. SCAG assumes no responsibility arising from use of this information by individuals, businesses, or other public entities. The information is provided with no warranty of any kind, expressed or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Users should consult with each local jurisdiction directly to obtain the official information.”

Recommendation:

SCAG should ensure that appropriate legal disclaimer language is used for all datasets and applications in the RDP.

Management Response to Internal Audit Report on the Regional Data Platform (RDP)

Observation 1: Some Regional Data Platform Datasets Not Functioning

Item Description: Staff informed Internal Audit that for most of these datasets the Application Programming Interface (API) is no longer operating. For most of the datasets in the RDP, the data is not stored inhouse at SCAG.

Recommendations	Management Response
1. SCAG staff should only keep working datasets and applications on the SCAG website. APIs should be updated if possible.	Management agrees with the recommendation. Please refer to the responses to the recommendations under Observation 2 of this audit, regarding identification of dataset and application owners and periodic verification of functionality.
2. If dataset or application issues are found, staff should correct or remove the dataset or application. Staff can use SCAG's help desk ticketing system to report and track application and data errors.	Management agrees with the recommendation. Please refer to the responses to the recommendations under Observation 2 of this audit, regarding identification of dataset and application owners and periodic verification of functionality, and under Observation 3 of this audit, regarding how long to keep datasets and the criteria for data being current.
3. SCAG staff should on a regular basis assess whether datasets and applications are still useful.	Management agrees with the recommendation. Please refer to the responses to the recommendations under Observations 2 and 3 of this audit, regarding periodic review of datasets and applications.

Observation 2: Regional Data Platform Dataset and Application Ownership

Item Description: For some Regional Data Platform datasets, there is not a clear owner of datasets or applications. There is not a clear chain of custody for datasets and applications.

Recommendations	Management Response
1. Each Regional Data Platform dataset and application should have a staff member responsible for it. SCAG should have a clear chain of custody for each. This staff member should be responsible for maintaining the accuracy and currentness of their assigned datasets.	Management agrees with the recommendation. Most SCAG-owned datasets in the RDP Content Library include the data owner or point of contact information in their metadata. However, there are some datasets where this information is missing. We are addressing these gaps through the GIS Data Curation Phase II project, which will be completed by December 2025.
2. When an employee changes roles or leaves SCAG, part of the exit process should be to determine what datasets and applications they are responsible for and how those will be reassigned or retired.	Management agrees with the recommendation. Planning's GIS Program Lead manually tracks staffing changes to manage the reassignment of datasets and applications. However, the GIS Program Lead is not automatically notified when staff begins cross-boarding or offboarding. This can be incorporated into the cross-boarding and offboarding workflows to task the Planning Supervisor to work with the GIS Program Lead to develop a handoff plan.
3. Staff should clearly define their assigned datasets and applications with a handoff plan for when staff change their responsibilities.	Management agrees with the recommendation. Planning's GIS Program Lead manually tracks staffing changes to manage the reassignment of datasets and applications, in coordination with the applicable Department Manager or Planning Supervisor.
4. SCAG staff should maintain a list of dataset owners and a list of application owners. Staff should periodically verify the functionality of these datasets and applications. These two lists should be periodically updated for accuracy of ownership and dates verified.	Management agrees with the recommendation. The Planning Division is currently conducting the GIS Data Curation Phase II project, which addresses dataset ownership, functionality verification, and tracking. For application functionality, IT leverages tools to conduct back-end monitoring and identify technical issues, while Planning verifies functionality from a user perspective. The Planning Division's schedule for periodic assessment of dataset and application functionality will be established under the GIS Data Curation Phase II project, which will be completed by December 2025.

Observation 3: Some RDP datasets appear out of date

Item Description: Some RDP datasets appear out of date. In general, the original need for the dataset may no longer be applicable to SCAG or Regional Data Platform users. However, we note that some useful datasets do not need to be the most current.

Recommendations	Management Response
1. SCAG dataset owners should keep data in RDP datasets current.	Management agrees with all of the recommendations 1 through 6. As noted in recommendation 4, the criteria for what is deemed current will vary by dataset. The Planning Division is addressing these recommendations through the GIS Data Curation Phase II project, which is scheduled for completion in December 2025, along with the ongoing GIS data curation effort.
2. SCAG dataset owners should keep current links to other websites referred to in the Regional Data Platform.	
3. SCAG should establish a policy on how long to keep datasets in the Regional Data Platform.	
4. Datasets should have clear criteria for data being current. Various types of datasets may have criteria for various periods.	
5. Staff should consider having expiration dates for datasets.	
6. Old datasets should be retired. As part of data inventory, there should be a schedule and methodology for retiring datasets.	

Observation 4: Disclaimers for RDP Datasets and Applications

Item Description: SCAG uses legal disclaimers in many, but not all, of its RDP datasets.

Recommendation	Management Response
SCAG should ensure that appropriate legal disclaimer language is used for all datasets and applications in the RDP.	Management agrees with the recommendation. The RDP datasets that do not have a disclaimer in the metadata were added prior to the current disclaimer being developed and/or are third-party datasets that SCAG does not own or maintain. In response to this audit, Legal Services has developed a revised disclaimer applicable for use on all RDP datasets, including both SCAG-owned and third-party datasets. The new disclaimer will be incorporated into the metadata for all datasets in accordance with the schedule for periodic assessment of dataset functionality to be established under the GIS Data Curation Phase II project, which will be completed by December 2025, along with the ongoing GIS data curation effort.



AGENDA ITEM 4

REPORT

Southern California Association of Governments
December 10, 2025

To: AC - Audit Committee

EXECUTIVE DIRECTOR'S
APPROVAL

From: David James, Internal Auditor
213-630-1483, djames@scag.ca.gov

Kome Ajise

Subject: Internal Audit Report on In-kind Match Contributions of Riverside County
Transportation Commission

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 3: Spur innovation and action through leadership in research, analysis and information sharing.

EXECUTIVE SUMMARY:

SCAG Internal Audit found that Riverside County Transportation Commission (RCTC) accurately reported its in-kind match contributions to SCAG. SCAG Internal Audit traced RCTC staff hours reported for in-kind contributions from quarterly reports to RCTC's internal reporting systems to its payroll system. Internal Audit found no material variances in hours or dollar amounts, and staff hours reported were allowed per Title 2 of the Code of Federal Regulations, Part 200 and SCAG policies.

BACKGROUND:

In-kind match refers to non-cash contributions that can be used to meet the matching or cost-sharing requirements for federal grants. An in-kind match is a type of cost-sharing contribution that includes the value of services, goods, and staff time provided to support a project funded by a federal grant.

SCAG Internal Audit is auditing all county transportation commissions that do in-kind matches with SCAG.

FISCAL IMPACT:

None

ATTACHMENT(S):

1. SCAG Internal Audit Report on In-kind Match Contributions of Riverside County Transportation Commission 10-10-2025
-



**SCAG Internal Audit Report on
In-kind Match Contributions of
Riverside County Transportation Commission**

October 10, 2025

By David James, CPA

SCAG Internal Audit Manager

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Executive Summary

SCAG Internal Audit found that Riverside County Transportation Commission (RCTC) accurately reported its in-kind match contributions to SCAG. SCAG Internal Audit traced RCTC staff hours reported for in-kind contributions from quarterly reports to RCTC's internal reporting systems to its payroll system. Internal Audit found no material variances in hours or dollar amounts, and staff hours reported were allowed per *Title 2 of the Code of Federal Regulations, Part 200* and SCAG policies.

Audit Objectives and Scope

The purpose of this audit was to verify that in-kind match contributions of RCTC match allowable costs. The objective of the audit was to determine whether the claimed costs were adequately supported and incurred in accordance with federal law and SCAG policy.

The audit was limited to costs claimed between July 1, 2023 and June 30, 2025.

Audit Methodology

To achieve the audit objectives, Internal Audit performed the following:

- Reviewed applicable federal laws related to in-kind match contributions
- Reviewed SCAG policies, procedures, and records related to in-kind match contributions
- Reviewed the 2024 incurred cost audit by Caltrans Internal Audits Office of SCAG and its finding regarding in-kind contributions
- Performed testwork on SCAG documents related to in-kind match of RCTC that supported their claimed costs
- Performed testwork on RCTC documents related to their in-kind match contributions with SCAG, including payroll documents
- Obtained an understanding of internal controls and evaluated control design and effectiveness regarding in-kind contributions at SCAG and RCTC.
- Traced personnel hours and projects from biweekly RCTC timesheets to its Eden system payroll reports to RCTC project Quarterly OWP Reports to in-kind match reports with personnel, hours, and project reports to SCAG to in-kind match backup reports, and compared with in-kind match reports from RCTC to SCAG with projects, hours, and costs.

Background for In-kind Match Contributions

In-kind match refers to non-cash contributions that can be used to meet the matching or cost-sharing requirements for federal grants. An in-kind match is a type of cost-sharing contribution that includes the value of services, goods, and staff time provided to support a project funded by a federal grant.

The value of in-kind contributions must be documented and verifiable. This includes keeping records that show how the value was determined for goods or services. In-kind contributions must be necessary, reasonable, and allowable under the federal program's guidelines.

Criteria for In-kind Match Contributions

Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), Section 306(j) states: “For third-party in-kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the non-Federal entity.”

2 CFR 200.306(b) states: “For all federal awards, any shared costs or matching funds and all contributions, including cash and in-kind contributions, must be accepted as part of the non-federal entity’s cost sharing or matching when such contributions meet all of the following criteria: (4) Are allowable under subpart E of this part; which at *2 CFR 200.430(i)(1)* requires that charges for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.”

2 CFR 200.306(e) states: “Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for third-party volunteer services must be consistent with those paid for similar work by the non-Federal entity. In those instances in which the required skills are not found in the non-Federal entity, rates must be consistent with those paid for similar work in the labor market in which the non-Federal entity competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.”

SCAG’s Accounting Manual, Section 14.5.3 states: “The costs incurred by the Entity will qualify, if it is verified that the costs incurred by the Entity would otherwise be an allowable cost, if SCAG had paid the cost directly to the Entity.”

Caltrans Internal Audits Office (CIAO) Audit of SCAG – Issue with In-kind Match

Caltrans Internal Audits Office (CIAO) performed an incurred cost audit of SCAG and issued a report on August 24, 2024. CIAO sampled local agencies providing in-kind match and found that some agencies did not identify the source of funding used when reporting the in-kind match. Two agencies used labor costs for their in-kind match but did not identify the names of staff performing the work. One agency included “promotional items” in its in-kind match without explanation of what the items were. The report notes that without sufficient support, the auditors cannot independently determine whether the costs meet the match requirements.

SCAG staff agreed with the audit recommendations. SCAG staff developed a template for an in-kind match annual contribution letter with language indicating that no federal funds, only local funds, are being used for the in-kind match. SCAG has updated their in-kind match policy and requested additional supporting documentation from the five county transportation commissions in its region.

SCAG Internal Audit is auditing all county transportation commissions that do in-kind matches with SCAG.

Riverside County Transportation Commission

The Riverside County Transportation Commission (RCTC) is a transportation planning agency that oversees transportation projects and funds public transportation services in Riverside County. RCTC is governed by elected representatives from each city council and all five County Supervisors within Riverside County. RCTC's services include funding and overseeing transportation projects, funding public bus, rail, and specialized transit services.

RCTC In-kind Contributions Process with SCAG

The following summarizes the information flow to create the quarterly in-kind match report that RCTC sends to SCAG:

1. RCTC staff timesheets contain project numbers and hours spent on projects.
2. Eden Project Expense Transaction Detail Reports. Files are uploaded to Eden for this automated report of projects, staff, and hours.
3. OWP quarterly reports with employees, project numbers, and hours. This is a custom-built report.
4. In-kind match backup reports with project numbers assigned to categories such as *025 - Air Quality and Conformity*.
5. Quarterly in-kind match reports that RCTC sends to SCAG.

Staff complete their biweekly timesheets in which they enter the hours they worked on various projects. Their supervisor approves the timesheets. The project hours by staff are used to track hours on allowed projects.

For in-kind contributions with SCAG projects, RCTC only uses their staff labor time. RCTC has allowable project accounts for:

- Air Quality and Conformity
- Performance Assessment and Monitoring
- Regional Outreach and Public Participation
- Goods Movement
- Transit and Rail Planning
- Planning Strategy Development and Implementation.

With each quarterly report of in-kind match costs, RCTC certifies that in accordance with *2 CFR 200*, RCTC agrees that the in-kind services match:

- Are verifiable in RCTC's records
- Are not included as contributions for any other federal award
- Are eligible transportation planning-related activities that support the objectives of the identified SCAG Overall Work Program projects
- Are necessary and reasonable for accomplishing the project or program objectives
- Are not charged as indirect costs
- Are allowable under *2 CFR Part 200 Subpart E – Cost Principles*

- Are not paid by the federal government under another federal award, except where the program's federal authorizing statute specifically provides that federal funds made available for the program can be applied to cost sharing requirements of other federal programs.

Allowable Use of Staff Time for In-kind Match Contributions

In the reported hours for in-kind match contributions, RCTC included staff hours for paid time off. This audit found instances where staff time reported to SCAG as in-kind match contributions was for paid time-off such as vacation, sick leave, holidays, jury duty, and military leave. These staff work on various projects, including allowable transportation projects and other projects.

Paid time off is generally considered a fringe benefit for regular employees. *2 CFR 200.306(e)* states "...paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation." Internal Audit concluded that paid time off is a fringe benefit that is allowable for in-kind match contributions.

RCTC informed SCAG Internal Audit that RCTC is revising their custom report so that it will remove paid time off hours, and RCTC will no longer report paid time off hours to SCAG. This was done manually for the FY26 Q1 report and should be automated by the time the Q2 report is submitted. RCTC has informed SCAG Internal Audit that they will be removing paid time off hours going forward.

Also, there are two staff whose time was reported for in-kind match, but none of whose time was directly charged to transportation projects in their timesheets. They are a Transit Manager and a Senior Management Analyst for Transit. In our audit sample, their working time was 100% charged to in-kind match projects reported to SCAG. Their time appears eligible for in-kind match because their work was integral to the transportation projects, and these staff were directly involved in those projects.



AGENDA ITEM 5

REPORT

Southern California Association of Governments
December 10, 2025

To: AC - Audit Committee

EXECUTIVE DIRECTOR'S
APPROVAL

From: David James, Internal Auditor
213-630-1483, djames@scag.ca.gov

Kome Ajise

Subject: Audits Status Report

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 4: Build a unified culture anchored in the pursuit of organizational excellence.

EXECUTIVE SUMMARY:

Internal Audits of In-kind Match Contributions for SCAG

Internal Audit is in the process of auditing in-kind match for SCAG of four county transportation commissions/organizations:

- San Bernardino County Transportation Authority (SBCTA)
- Los Angeles County Metropolitan Transportation Authority (Metro)
- Los Angeles City Department of Transportation (LADOT)
- Orange County Transportation Authority (OCTA)

These audits will follow the same audit program as the recently completed *Internal Audit Report on In-kind Match Contributions of Riverside County Transportation Commission*. The purpose of these audits is to verify that in-kind match contributions of the transportation commissions match allowable costs. The objective of the audits is to determine whether the claimed costs were adequately supported and incurred in accordance with federal law and SCAG policy.

Internal Audit Risk Assessment of SCAG

Internal Audit plans to conduct an organization-wide risk assessment of SCAG in early 2026. SCAG's Internal Audit performs assessments of SCAG operations, including evaluations of the effectiveness and efficiency of various departments, functions and evaluating governance, risk management, and

internal controls. Internal Audit assists staff in efficient and effective discharge of responsibilities by providing independent analyses, appraisals, findings, and recommendations.

To perform this risk assessment, Internal Audit will interview key staff to understand their views of risks at SCAG, identify key processes, and any changes to risks since the previous risk assessment was performed. Internal Audit will also review SCAG processes, policies, procedures, and laws, especially any recent changes that could increase organizational risk. This assessment will be used to identify higher risk areas at SCAG for potential internal audits.

Risks are events, actions, or inactions that could cause key organizational objectives to not be achieved. To mitigate and manage these risks, SCAG's management implements internal controls, plans for disruptions, develops risk management programs, and engages in risk mitigation. Internal Audit's responsibility is to facilitate management's identification and assessment of risks, and to monitor and report on how well risks are managed.

FISCAL IMPACT:

None