



# Division of Local Assistance (DLA) Audits Overview

California Transportation Commission  
August 2021



# Planning & Modal Program Audit Response

## CORRECTIVE ACTION PLAN (CAP) MEMO

DLA sends CAP Memo to IOAI and internal stakeholders

## ISSUE MEMO

Issue Memo prepared if questioned costs need a reduction



## AUDIT REPORT

Independent Office of Audits and Investigations (IOAI) sends final audit report to Caltrans Division or Program

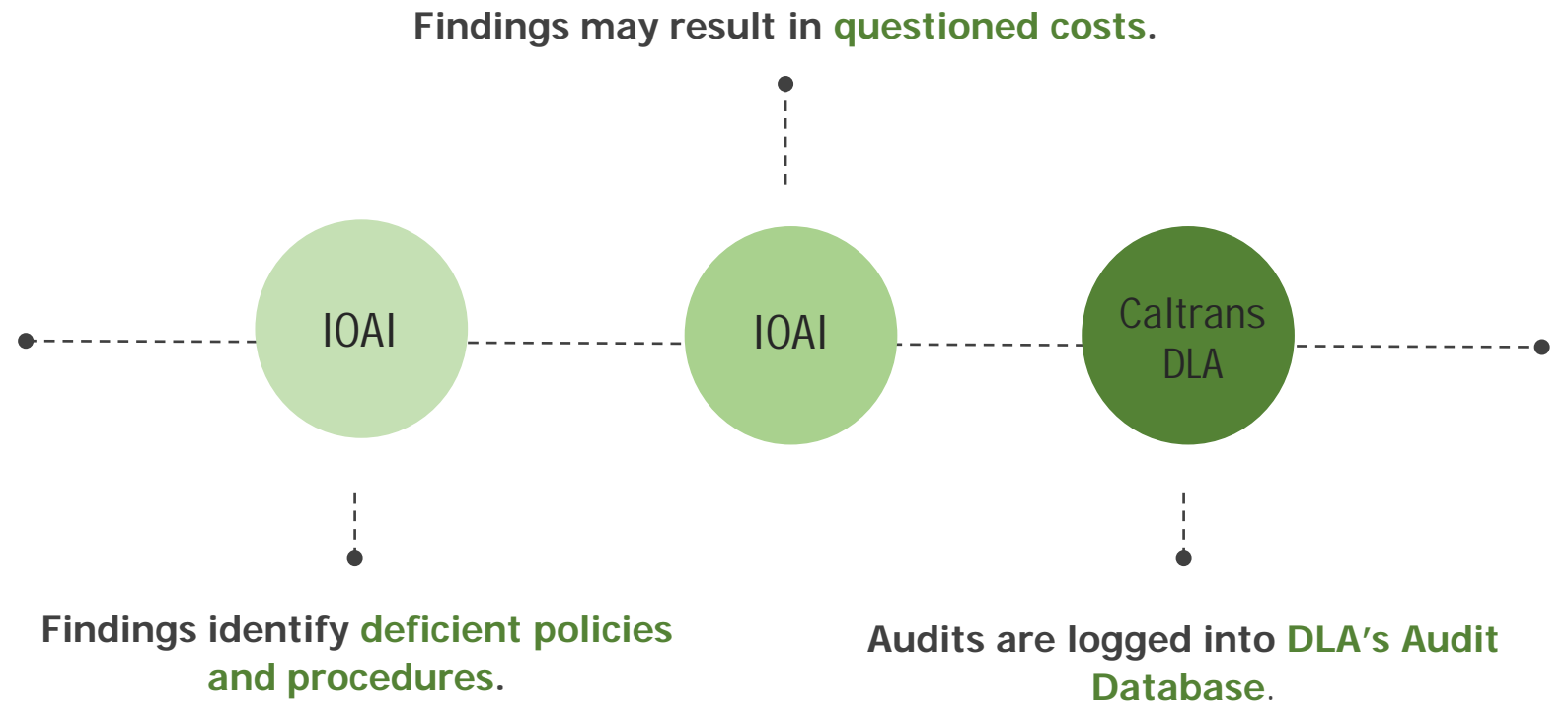
## CAP LETTER

DLA issues CAP Letter to local agency; corrective actions due in five months

## FINAL DETERMINATION LETTER (FDL)

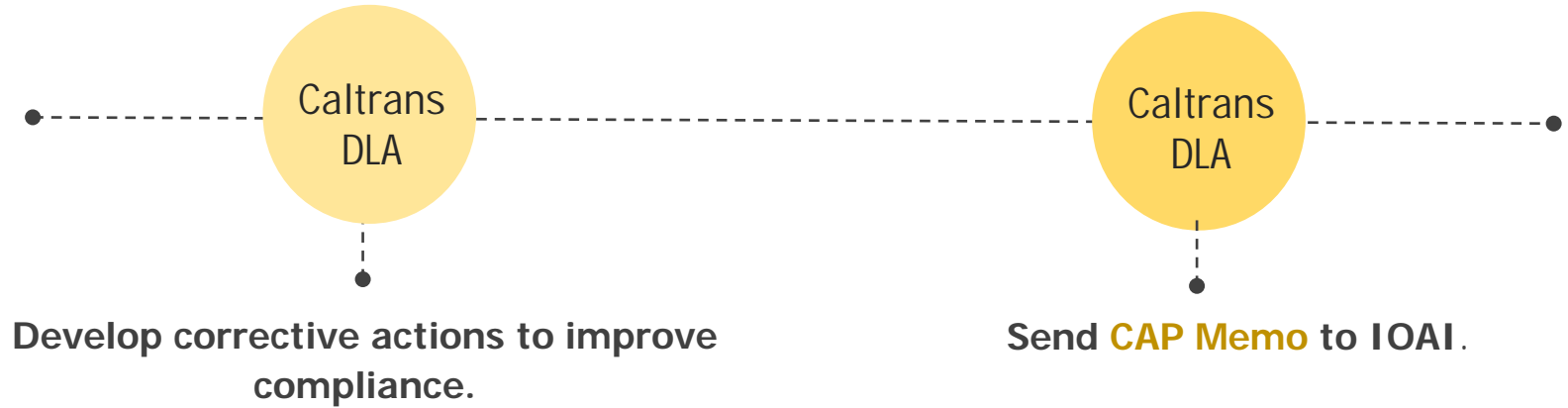
Local agency implements corrective actions and reimburses Caltrans; FDL is signed to close the audit

## Final Audit Report

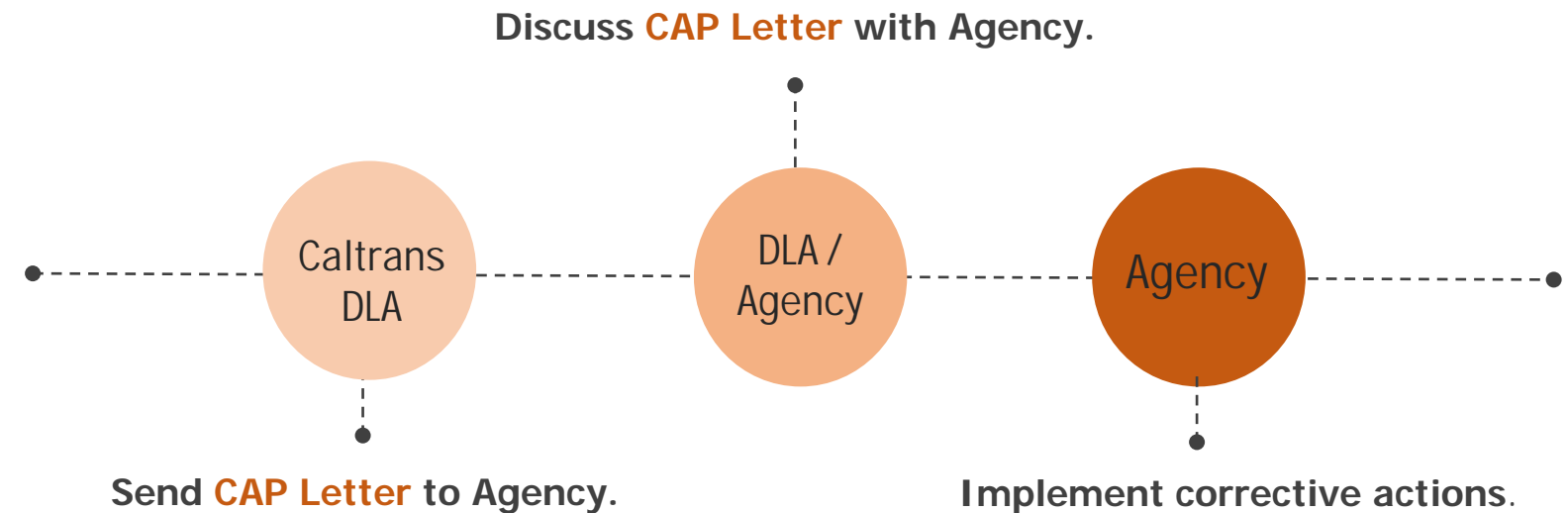


# CAP Memo & CAP Letter Oversight

## CAP Memo



## CAP Letter

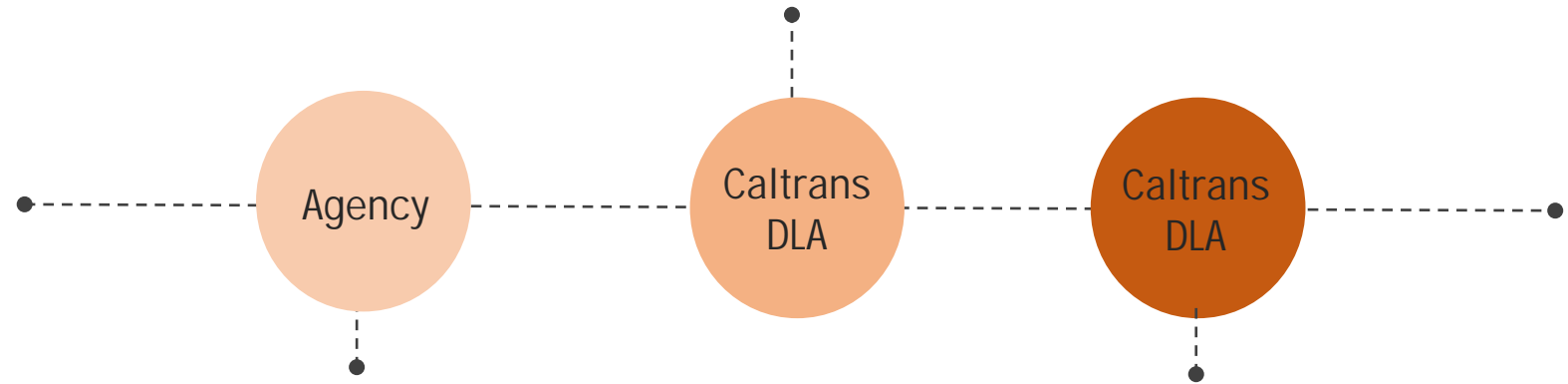


# Validation and Adjusting Costs

## CAP Letter



Validate questioned costs if applicable.



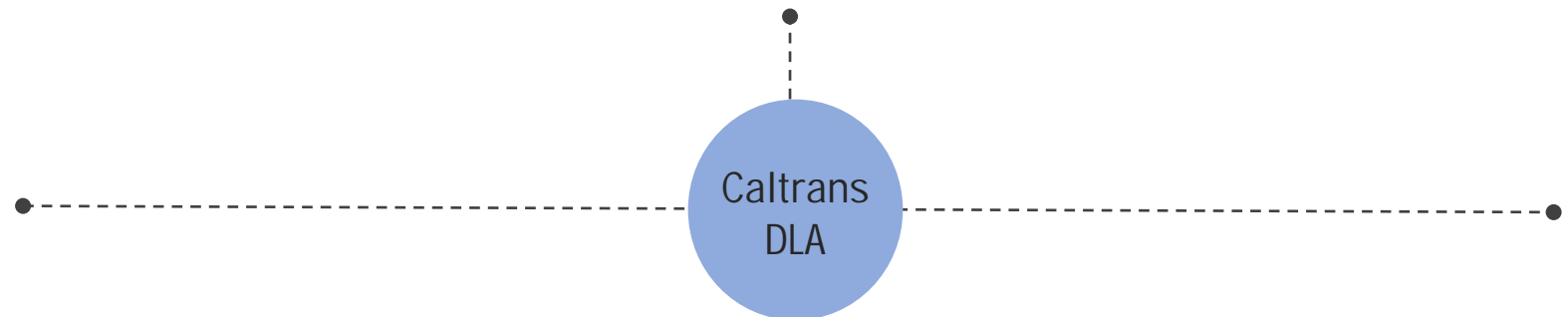
**Substantiate, programmatic solution, and reconciliation reimbursement.**

**Need FHWA and CTC concurrence.**

## Issue Memo

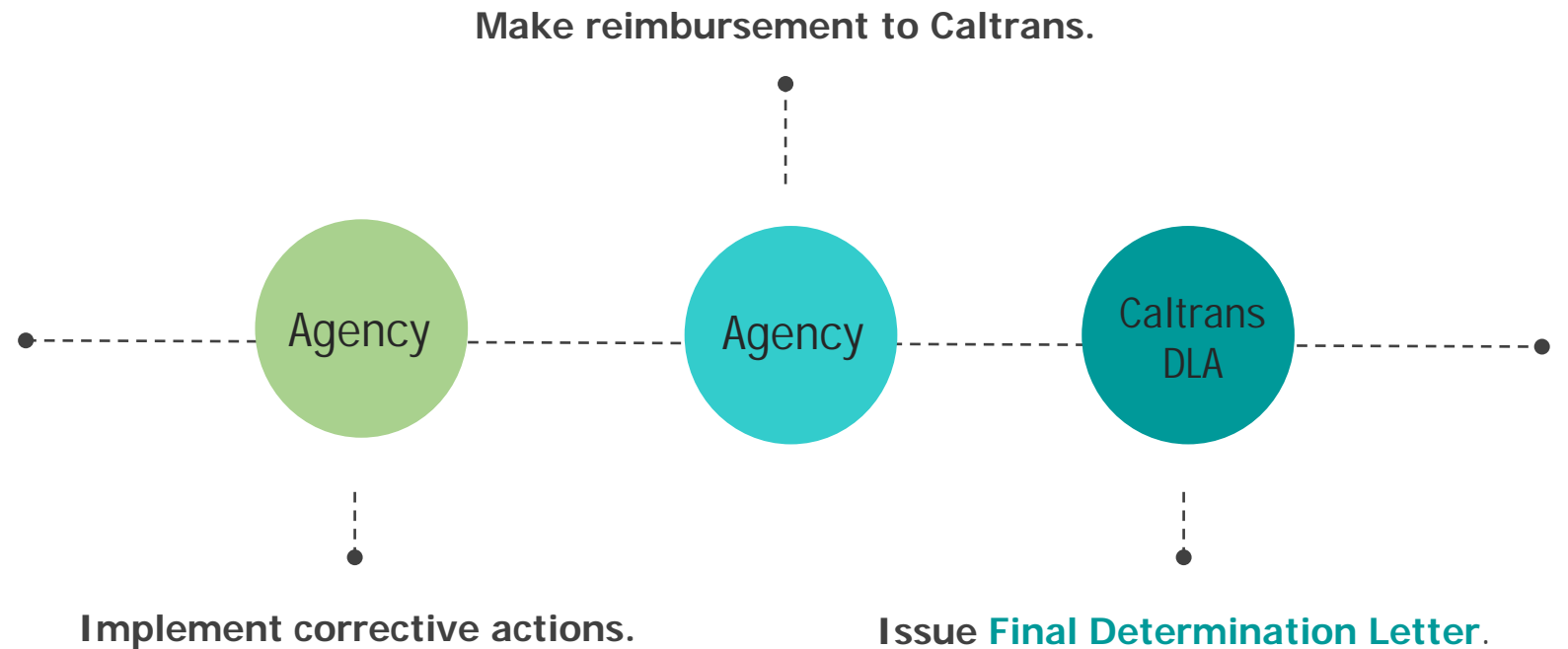


Director or Chief Deputy Director authorizes reduction in questioned costs.



# Final Determination Letter

## Final Determination Letter



**Sanction:** No future authorizations if corrective actions not implemented and funds not repaid to Caltrans



# DLA's Pro-Active Audit Management

## Local Assistance Procedures Manual (LAPM)

### Chapter 20: Audits and Corrective Actions

**Provides agency with:**



**Audit Expectations**



**Common Deficiencies  
& best practices**



**Potential Sanctions**

# Continuous Improvements

## Process Reviews

Ensure programmatic compliance.

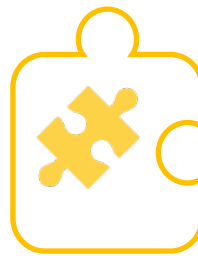


## Risk-Based Stewardship & Oversight

Identify and assess risks; implement response strategies.

## Guidance & Training

Mitigate risks from process reviews and RBSO.



## Agency Certification (future)

Agencies must demonstrate their qualifications and abilities in the phase(s) where they desire certification.





Thank You

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