

# Memorandum

*Serious drought.  
Help save water!*

**To:** WILLIAM E. LEWIS  
Assistant Director  
Audits and Investigations

**Date:** July 20, 2015

**File:** P3000-0422

**From:** TONY TAVARES   
Chief  
Division of Maintenance

**Subject:** **DIVISION OF MAINTENANCE 180-DAY UPDATE ON AUDIT REPORT OF FINDINGS-  
SIGNALS AND LIGHTING PROGRAM**

Attached is our 180-day update report on the audit report findings for the Signals and Lighting Program (P3000-0422). We are continuing our efforts to complete tasks identified in the report and will provide a status once those activities are completed.

If you have any questions please contact Agustin Rosales, Chief, Office of Roadway Maintenance at (916) 654-5319.

Attachment

180-Day Update Signal and Lighting Program Audit, P3000-0422

c: Laurine Bohamera, Chief, Internal Audits, Audits and Investigation  
Agustin Rosales, Chief, Office of Roadway Maintenance, Division of Maintenance  
Melodie Hass, Chief, Office of Budgets & Planning, Division of Maintenance  
Kevin Yee, Audit Manager, Audits and Investigations

## Audits and Investigations (A&amp;I) Audit Finding Status Report Update

**Audit Name: AUDIT REPORT OF THE  
SIGNALS AND LIGHTING PROGRAM**

**Audit No. P3000-0422**

Auditee:

**Audit Report Finding # 1**

**List Finding Here- Signals and Lighting Program Weaknesses**

A&I Audit Recommendation	Auditee Original Response to Report	60-Day Status	180-Day Update	360-Day update	A&I Analysis/Status and Date
1) Modify and implement written policies and procedures to ensure program consistency	-	-	-	-	For A&I Use
a) Developing clearly defined roles and responsibilities for maintenance agreement coordinators and strengthening the existing rolls and responsibilities for signals and lighting coordinators.	Agree. Will add appropriate sections into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual.	Draft sections have been drafted and are currently being reviewed by Maintenance Program.	Draft sections have been revised based on recent Coordinators meeting and are under review by Maintenance Program.		For A&I Use
b) Establishing a process for districts to annually verify the accuracy of information entered into IMMS by comparing the information to the agreements and exhibits with the local agencies.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed by Maintenance Program.	Procedures have been communicated to Coordinators and in process to be included in Manuals.		For A&I Use
c) Establishing a process for districts to annually perform a survey of electrical assets to ensure that all shared assets are under agreement so that Caltrans may collect the agencies' share of maintenance and energy costs.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed by Maintenance Program.	Procedures have been drafted and are currently being reviewed by Maintenance Program.		For A&I Use
d) Establishing record retention requirements for agreements and corresponding exhibits.	Modify internal document retention policy, include in Maintenance Manual Volume 1.	Maintenance Manual revision language is drafted. Pending circulation and approval.	Maintenance Manual revision language is drafted. Pending circulation and approval.		For A&I Use
e) Ensuring that maintenance agreement coordinators and signals and lighting coordinators are aware of the updated policies and procedures and their roles and responsibilities with respect to the Program.	Agree. Will resume annual Signal and Lighting Coordinators meeting in 2015.	A Signal and Lighting Coordinators meeting is tentatively planned for June 17-18, 2015.	A Signal and Lighting Coordinators meeting was held on June 23 - 25, 2015 and attended by most Districts, follow-up training is planned for staff that did not attend.		For A&I Use
2) Develop a system control in IMMS to prevent an agency code outside the district boundaries from being entered incorrectly into the billing information tab.	Agree with finding, but this effort may not be feasible within IMMS and any investigation in feasibility will not happen until after the IMMS upgrade.	The IMMS upgrade project is being delayed, therefore resources are available to begin work on feasibility of recommendation.	The IMMS staff is working on feasibility of recommendation.		For A&I Use
3) Provide sufficient and continuous monitoring and oversight to ensure compliance with established policies and procedures	-	-	-	-	For A&I Use
a) Requiring the districts to certify compliance and completion of the survey and reconciliation process described in Recommendation 1 on an annual basis.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed.	Draft procedures have been drafted and are currently being reviewed		
b) On a sample basis, verify the accuracy of the information entered into IMMS by comparing the information to the agreements and exhibit A forwarded to Headquarters by districts.	Agree - proposed solution verify 10% annually, 3 ea agreements 3 ea districts monthly.	Formal survey process pending; Informal survey indicates district challenges due to staff turn over, and inadequate record keeping.	Formal survey process pending; Informal surveys of Districts 4,5,6,9,11,, and 12 were completed.		For A&I Use

**Audit Report Finding # 2**

Audits and Investigations (A&I) Audit Finding Status Report Update

**Audit Name: AUDIT REPORT OF THE  
SIGNALS AND LIGHTING PROGRAM**

**Audit No. P3000-0422**

Auditee:

**Audit Report Finding # 1**

**List Finding Here- Signals and Lighting Program Weaknesses**

A&I Audit Recommendation	Auditee Original Response to Report	60-Day Status	180-Day Update	360-Day update	A&I Analysis/Status and Date
<b>List Finding - Improvement</b>					
<b>Opportunity for the Signals and Lighting Program</b>					
1) Maintenance consider pursuing a legislative change to California Streets and Highways Code Section 130 to require all local agencies to pay for their fair share of maintenance and energy costs.	Agree. Development of proposal will begin January 2015.	Work has been initiated in drafting Legislative Proposal.	Work has been initiated in drafting Legislative Proposal.		<b>For A&amp;I Use</b>
2) Maintenance review, the current cost of negotiating, executing, and administering the Signals and Lighting Program taking into consideration the resources expended by Maintenance, the districts and DofA to determine if 100 percent agreements would be more efficient and cost effective.	Agree.	We have initiated review of Division of Maintenance costs of the Signal & Lighting Program and will coordinate with Division of Accounting.	We have initiated review of Division of Maintenance costs of the Signal & Lighting Program and will coordinate with Division of Accounting.		<b>For A&amp;I Use</b>
3) If 100 percent agreements are more efficient and cost effective, Maintenance request and work with Caltrans Legal Office to re-evaluate whether the use of 100 percent agreements is appropriate. If determined to be appropriate, transition to 100 percent agreements for both new and existing electrical agreements with local agencies.	Agree.	Review is on-going and once completed we will coordinate with Caltrans Legal Office.	Review is on-going and once completed we will coordinate with Caltrans Legal Office.		<b>For A&amp;I Use</b>
<b>Audit Report Finding # 3</b>					
<b>List Finding Here - Opportunity for Additional Spending Capacity</b>					
We recommend that Maintenance consider accounting for recovery of local signals and lighting costs as reimbursements instead of revenues to increase Program spending capacity.	We will consider and evaluate.	The Maintenance Budgets Office has initiated a review of the signal and lighting costs and the potential for classifying these costs as reimbursement.	The Maintenance Budgets Office is working with the Division of Accounting to determine statute and flexibility associated with recovery of signals and lighting costs.		<b>For A&amp;I Use</b>

## Memorandum

*Serious drought.  
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To: WILLIAM E. LEWIS  
Assistant Director  
Audits and Investigations

Date: July 13, 2015

From: CLARK PAULSEN  
Chief  
Division of Accounting

Subject: **Division of Accounting Response – 180-Day Status of Corrective Actions – Signal and Lighting Program Audit (3000-0422)**

Attached is our 180-day status report on the corrective actions the Division of Accounting has taken based on the recommendations in the Signal and Lighting Program Audit.

If you have any questions or need additional information, please contact Frank Garcia at (916) 227-9149.

c: Norma Ortega, Chief Financial Officer  
Tony Tavares, Chief, Division of Maintenance  
Frank Garcia, Chief, Office of Receivables, Systems and Administration, Division of Accounting

## Audits & Investigations (A&I) – Response to Draft Report

**PROGRAM AUDITED:** Division of Accounting **AUDIT:** Signals and Lighting Program Audit **AUDIT NUMBER:** P3000-0422

**Audit Report Finding No. 4**

**Name of Report Finding:** Improvements Needed in the Signals and Lighting Billing Process

<b>A&amp;I Recommendation:</b>	<b>Auditee Response to Draft Report:</b>	<b>Estimated Completion Date:</b>	<b>Staff Responsible for Completion:</b>	<b>A&amp;I Analysis of Response</b>
Verify calculated invoice amounts on a sample basis.	Accounting has implemented a process whereby Accounts Receivable staff select a sample of generated invoices each quarter and verify invoice amount calculations	Completed	Gina Schumacher/ Maggie Phung	
Consider working with the vendor or Caltrans IT to develop an accurate, stable, and reliable monthly signals and lighting billing component and resolve the issue regarding credit invoices and approval of adjustments and cancellations.	DofA has determined that it is not cost effective to develop a signals and lighting billing component within the current accounting system, and has instead implemented a comprehensive quarterly manual billing process. See audit recommendation 4.4 regarding approval of invoice adjustments and cancellations.	Completed	Gina Schumacher/ Gayle Goin	
If implementation of monthly billing component is not feasible, request Maintenance to update agreements with local agencies to require quarterly billings.	DofA staff (Gina Schumacher) attended the Signals and Lighting (S&L) Coordinator meeting in June 2015. The S&L coordinators were informed that all future agreements (as well as any agreements undergoing modification) with local agencies need to state that billing will be quarterly. The S&L agreement template language used by the	Completed	Gina Schumacher/ Gayle Goin	

## Audits & Investigations (A&I) – Response to Draft Report

	District Coordinators has been updated to reflect quarterly billings.			
Maintain approval documentation for adjustments and cancellation of invoices.	Supervisor approval of all adjustments and cancellations was implemented in 12/2013. In 4/2014 a form was implemented to document all invoice adjustments and cancellations.	Completed	Gina Schumacher/ Gayle Goin	

### Audit Report Finding No. 5

**Name of Report Finding:** Incomplete recovery of Signals and Lighting Costs

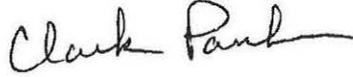
A&I Recommendation:	Auditee Response to Draft Report:	Estimated Completion Date:	Staff Responsible for Completion:	A&I Analysis of Response
Recommend DofA request an interface to transfer equipment costs from IMMS to Advantage; and incorporate equipment costs into future billings.	Revenue Section and Maintenance-IMMS staff designed a report that provides equipment charges by billing unit for inclusion in the Signals and Lighting (SL) quarterly billing process. The report was created by Maintenance, but will be run quarterly by the SL accounting staff for all future quarterly SL billings. The report was used in April 2015 for inclusion of equipment costs in the 3 <sup>rd</sup> quarter SL billings.	Completed	Gina Schumacher/ Gayle Goin	

## Memorandum

*Serious drought.  
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To: WILLIAM E LEWIS  
Assistant Director  
Audits and Investigations

Date: March 17, 2015

From: CLARK PAULSEN   
Chief  
Division of Accounting

Subject: **Division of Accounting Response – 60 Day Status of Corrective Actions-Signals and Lighting Program Audit (P3000-0422)**

Attached is our 60-day status report on the corrective actions the Division of Accounting has taken based on the recommendations in the Signals and Lighting Program Audit.

If you have any questions or need additional information, please contact Frank Garcia at (916) 227-9149.

c: Norma Ortega, Chief Financial Officer  
Tony Tavares, Chief, Division of Maintenance  
Frank Garcia, Chief, Office of Receivables, Systems and Administration, Division of Accounting

**Audits and Investigations (A&I) - Response to Draft Report**

**Audit Name: Signals and Lighting Program Audit**

**Audit No. P3000-0422**

**Auditee: Division of Accounting**

**Audit Report Finding # 4**

**Improvements Needed in the Signals and Lighting Billing Process**

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	A&I Analysis
1. Verify calculated invoice amounts on a sample basis.	Accounting has implemented a process whereby Accounts Receivable staff select a sample of generated invoices each quarter and verify invoice amount calculations.	Completed	Gina Schumacher/Maggie Phung	For A&I Use
2. Consider working with the vendor or Caltrans IT to develop an accurate, stable, and reliable monthly signals and lighting billing component and resolve the issue regarding credit invoices and approval of adjustments and cancellations.	DofA has determined that it is not cost effective to develop a signals and lighting billing component within the current accounting system, and has instead implemented a comprehensive quarterly manual billing process. See audit recommendation 4.4 below regarding approval of invoice adjustments and cancellations.	Completed	Gina Schumacher/Gayle Goin	
3. If implementation of monthly billing component is not feasible, request Maintenance to update agreements with local agencies to require quarterly billings	DofA will request that Maintenance modify its contract language to state that billing for signals and lighting will be quarterly in all future agreements (new contracts and any amended contracts).	April 2015	Gina Schumacher/Gayle Goin	For A&I Use
4. Maintain approval documentation for adjustments and cancellations of invoices.	Supervisor approval of all adjustments and cancellations was implemented in 12/2013. In 4/2014 a form was implemented to document all invoice adjustments and cancellations.	Completed	Gina Schumacher/Gayle Goin	

**Audit Report Finding # 5**

**Incomplete Recovery of Signals and Lighting Costs**

Recommend DofA request an interface to transfer equipment costs from IMMS to Advantage; and incorporate equipment costs into future billings.	Revenue Section and Maintenance-IMMS staff met to develop a report that will provide equipment charges by billing unit for inclusion in the Signals and Lighting (SL) quarterly billing process. The report has been created by Maintenance, but will be run quarterly by the SL accounting staff. The report will provide for inclusion of equipment charges starting with the 3 <sup>rd</sup> quarter SL billings (sent in April 2015).	April 2015	Gina Schumacher/Gayle Goin	For A&I Use
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**Audits and Investigations (A&I) - Response to Draft Report**

Audit Name: Signals and Lighting Program Audit

Audit No. P3000-0422

Auditee: Division of Accounting

**Audit Report Finding # 4**

**Improvements Needed in the Signals and Lighting Billing Process**

A&I Audit Recommendation	Auditee Response to Draft Report	Estimated Completion Date	Staff Responsible	A&I Analysis
				For A&I Use
				For A&I Use
<b>Audit Report Finding # ____</b> <b>List Finding Here</b>				
				For A&I Use
				For A&I Use
				For A&I Use

## Memorandum

*Serious drought.  
Help save water!*

To: WILLIAM E. LEWIS  
Assistant Director  
Audits and Investigations

Date: March 20, 2015

File: P3000-0422

From: *for* TONY TAVARES   
Chief  
Division of Maintenance

Subject: **60-DAY AUDIT  
STATUS REPORT OF FINDINGS-SIGNALS AND LIGHTING PROGRAM**

Thank you for the opportunity to provide the attached 60-day status report on the Audit Report Findings for the Signals and Lighting Program (P3000-0422). We plan to complete some tasks by June 30, 2015, and will provide a status once those activities are completed.

If you have any questions please contact Agustin Rosales, Chief, Office of Roadway Maintenance, at (916) 654-5319.

### Attachment

(1) 60-Day Status Signal and Lighting Program Audit, P3000-0422

c: Laurine Bohamera, Chief, Internal Audits, Audits and Investigation  
Agustin Rosales, Chief, Office of Roadway Maintenance, Division of Maintenance  
Melodie Hass, Chief, Office of Budgets & Planning, Division of Maintenance  
Kevin Yee, Audit Manager, Audits and Investigations

**Audits and Investigations (A&I) Audit Finding Status Report Update**

**Audit Name: AUDIT REPORT OF THE SIGNALS AND LIGHTING PROGRAM**

**Audit No. P3000-0422**

Auditee:

**Audit Report Finding # 1**

**List Finding Here - Signals and Lighting Program Weaknesses**

<b>A&amp;I Audit Recommendation</b>	<b>Auditee Original Response to Report</b>	<b>60-Day Status</b>	<b>180-Day Update</b>	<b>360-Day update</b>	<b>A&amp;I Analysis/Status and Date</b>
1) Modify and implement written policies and procedures to ensure program consistency	-		-	-	<b>For A&amp;I Use</b>
a) Developing clearly defined roles and responsibilities for maintenance agreement coordinators and strengthening the existing rolls and responsibilities for signals and lighting coordinators.	Agree. Will add appropriate sections into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual.	Draft sections have been drafted and are currently being reviewed by Maintenance Program.			<b>For A&amp;I Use</b>
b) Establishing a process for districts to annually verify the accuracy of information entered into IMMS by comparing the information to the agreements and exhibits with the local agencies.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed by Maintenance Program.			<b>For A&amp;I Use</b>
c) Establishing a process for districts to annually perform a survey of electrical assets to ensure that all shared assets are under agreement so that Caltrans may collect the agencies' share of maintenance and energy costs.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed by Maintenance Program.			<b>For A&amp;I Use</b>
d) Establishing record retention requirements for agreements and corresponding exhibits.	Modify internal document retention policy, include in Maintenance Manual Volume 1.	Maintenance Manual revision language is drafted. Pending circulation and approval.			<b>For A&amp;I Use</b>
e) Ensuring that maintenance agreement coordinators and signals and lighting coordinators are aware of the updated policies and procedures and their roles and responsibilities with respect to the Program.	Agree. Will resume annual Signal and Lighting Coordinators meeting in 2015.	A Signal and Lighting Coordinators meeting is tentatively planned for June 17-18, 2015.			<b>For A&amp;I Use</b>
2) Develop a system control in IMMS to prevent an agency code outside the district boundaries from being entered incorrectly into the billing information tab.	Agree with finding, but this effort may not be feasible within IMMS and any investigation in feasibility will not happen until after the IMMS upgrade.	The IMMS upgrade project is being delayed, therefore resources are available to begin work on feasibility of recommendation.			<b>For A&amp;I Use</b>
3) Provide sufficient and continuous monitoring and oversight to ensure compliance with established policies and procedures	-		-	-	<b>For A&amp;I Use</b>
a) Requiring the districts to certify compliance and completion of the survey and reconciliation process described in Recommendation 1 on an annual basis.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed.			
b) On a sample basis, verify the accuracy of the information entered into IMMS by comparing the information to the agreements and exhibit A forwarded to Headquarters by districts.	Agree - proposed solution: verify 10% annually, 3 ea agreements 3 ea districts monthly.	Formal survey process pending; Informal survey indicates district challenges due to staff turn over, and inadequate record keeping.			<b>For A&amp;I Use</b>

**Audit Report Finding # 2**

**List Finding - Improvement Opportunity for the Signals and Lighting Program**

**Audits and Investigations (A&I) Audit Finding Status Report Update**

**Audit Name: AUDIT REPORT OF THE SIGNALS AND LIGHTING PROGRAM**

**Audit No. P3000-0422**

Auditee:

**Audit Report Finding # 1**  
**List Finding Here- Signals and Lighting Program Weaknesses**

A&I Audit Recommendation	Auditee Original Response to Report	60-Day Status	180-Day Update	360-Day update	A&I Analysis/Status and Date
1) Maintenance consider pursuing a legislative change to California Streets and Highways Code Section 130 to require all local agencies to pay for their fair share of maintenance and energy costs.	Agree. Development of proposal will begin January 2015.	Work has been initiated in drafting Legislative Proposal.			<b>For A&amp;I Use</b>
2) Maintenance review, the current cost of negotiating, executing, and administering the Signals and Lighting Program taking into consideration the resources expended by Maintenance, the districts and DofA to determine if 100 percent agreements would be more efficient and cost effective.	Agree.	We have initiated review of Division of Maintenance costs of the Signal & Lighting Program and will coordinate with Division of Accounting.			<b>For A&amp;I Use</b>
3) If 100 percent agreements are more efficient and cost effective, Maintenance request and work with Caltrans Legal Office to re-evaluate whether the use of 100 percent agreements is appropriate. If determined to be appropriate, transition to 100 percent agreements for both new and existing electrical agreements with local agencies.	Agree.	Review is on-going and once completed we will coordinate with Caltrans Legal Office.			<b>For A&amp;I Use</b>

**Audit Report Finding # 3**  
**List Finding Here - Opportunity for Additional Spending Capacity**

We recommend that Maintenance consider accounting for recovery of local signals and lighting costs as reimbursements instead of revenues to increase Program spending capacity.	We will consider and evaluate.	The Maintenance Budgets Office has initiated a review of the signal and lighting costs and the potential for classifying these costs as reimbursement.			<b>For A&amp;I Use</b>
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**Audits and Investigations (A&I) Audit Finding Status Report Update**

**Audit Name: AUDIT REPORT OF THE SIGNALS AND LIGHTING PROGRAM**

**Audit No. P3000-0422**

Auditee:

**Audit Report Finding # 1**

**List Finding Here- *Signals and Lighting Program Weaknesses***

<b>A&amp;I Audit Recommendation</b>	<b>Auditee Original Response to Report</b>	<b>60-Day Status</b>	<b>180-Day Update</b>	<b>360-Day update</b>	<b>A&amp;I Analysis/Status and Date</b>
1) Modify and implement written policies and procedures to ensure program consistency	-		-	-	<b>For A&amp;I Use</b>
a) Developing clearly defined roles and responsibilities for maintenance agreement coordinators and strengthening the existing rolls and responsibilities for signals and lighting coordinators.	Agree. Will add appropriate sections into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual.	Draft sections have been drafted and are currently being reviewed by Maintenance Program.			<b>For A&amp;I Use</b>
b) Establishing a process for districts to annually verify the accuracy of information entered into IMMS by comparing the information to the agreements and exhibits with the local agencies.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed by Maintenance Program.			<b>For A&amp;I Use</b>
c) Establishing a process for districts to annually perform a survey of electrical assets to ensure that all shared assets are under agreement so that Caltrans may collect the agencies' share of maintenance and energy costs.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed by Maintenance Program.			<b>For A&amp;I Use</b>
d) Establishing record retention requirements for agreements and corresponding exhibits.	Modify internal document retention policy, include in Maintenance Manual Volume 1.	Maintenance Manual revision language is drafted. Pending circulation and approval.			<b>For A&amp;I Use</b>
e) Ensuring that maintenance agreement coordinators and signals and lighting coordinators are aware of the updated policies and procedures and their roles and responsibilities with respect to the Program.	Agree. Will resume annual Signal and Lighting Coordinators meeting in 2015.	A Signal and Lighting Coordinators meeting is tentatively planned for June 17-18, 2015.			<b>For A&amp;I Use</b>
2) Develop a system control in IMMS to prevent an agency code outside the district boundaries from being entered incorrectly into the billing information tab.	Agree with finding, but this effort may not be feasible within IMMS and any investigation in feasibility will not happen until after the IMMS upgrade.	The IMMS upgrade project is being delayed, therefore resources are available to begin work on feasibility of recommendation.			<b>For A&amp;I Use</b>
3) Provide sufficient and continuous monitoring and oversight to ensure compliance with established policies and procedures	-		-	-	<b>For A&amp;I Use</b>
a) Requiring the districts to certify compliance and completion of the survey and reconciliation process described in Recommendation 1 on an annual basis.	Agree. Will add procedures into Maintenance Manual and the Signal and Lighting Coordinator's Desk Manual (where appropriate).	Draft procedures have been drafted and are currently being reviewed.			
b) On a sample basis, verify the accuracy of the information entered into IMMS by comparing the information to the agreements and exhibit A forwarded to Headquarters by districts.	Agree - proposed solution: verify 10% annually, 3 ea agreements 3 ea districts monthly.	Formal survey process pending; Informal survey indicates district challenges due to staff turn over, and inadequate record keeping.			<b>For A&amp;I Use</b>

**Audit Report Finding # 2**

**List Finding - *Improvement***

***Opportunity for the Signals and Lighting Program***

**Audits and Investigations (A&I) Audit Finding Status Report Update**

**Audit Name: AUDIT REPORT OF THE SIGNALS AND LIGHTING PROGRAM**

**Audit No. P3000-0422**

Auditee:

**Audit Report Finding # 1**

**List Finding Here- *Signals and Lighting Program Weaknesses***

A&I Audit Recommendation	Auditee Original Response to Report	60-Day Status	180-Day Update	360-Day update	A&I Analysis/Status and Date
1) Maintenance consider pursuing a legislative change to California Streets and Highways Code Section 130 to require all local agencies to pay for their fair share of maintenance and energy costs.	Agree. Development of proposal will begin January 2015.	Work has been initiated in drafting Legislative Proposal.			For A&I Use
2) Maintenance review, the current cost of negotiating, executing, and administering the Signals and Lighting Program taking into consideration the resources expended by Maintenance, the districts and DofA to determine if 100 percent agreements would be more efficient and cost effective.	Agree.	We have initiated review of Division of Maintenance costs of the Signal & Lighting Program and will coordinate with Division of Accounting.			For A&I Use
3) If 100 percent agreements are more efficient and cost effective, Maintenance request and work with Caltrans Legal Office to re-evaluate whether the use of 100 percent agreements is appropriate. If determined to be appropriate, transition to 100 percent agreements for both new and existing electrical agreements with local agencies.	Agree.	Review is on-going and once completed we will coordinate with Caltrans Legal Office.			For A&I Use

**Audit Report Finding # 3**

**List Finding Here - *Opportunity for Additional Spending Capacity***

We recommend that Maintenance consider accounting for recovery of local signals and lighting costs as reimbursements instead of revenues to increase Program spending capacity.	We will consider and evaluate.	The Maintenance Budgets Office has initiated a review of the signal and lighting costs and the potential for classifying these costs as reimbursement.			For A&I Use
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