Management Audit Services

FY 2023 First Quarter Report

Finance, Budget & Audit Committee
November 16, 2022

Metro | **MANAGEMENT AUDIT SERVICES**

In Progress: MAS Audit Activity

Agency Representation

Legend:
- Operations
- Planning & Development
- Program Management
- Chief Safety Office
- Chief People Office
- Strategic Financial Planning

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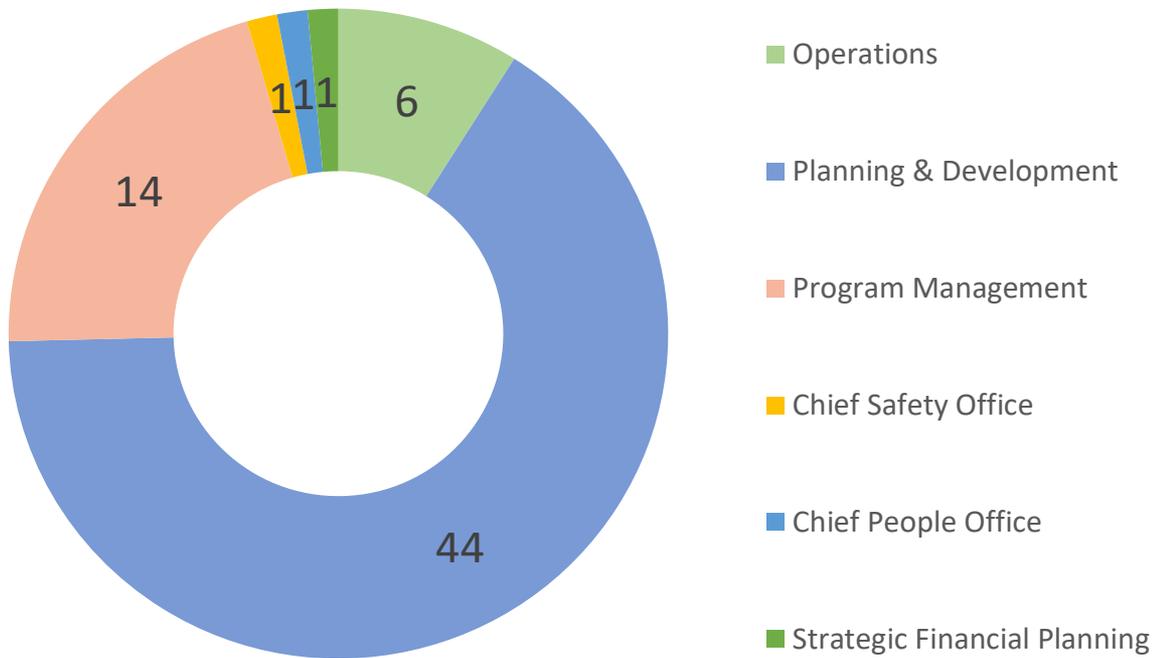
o 6 Performance Audits

o 61 Contract, Financial and Compliance Audits

In Progress: Performance Audits

	Audit Title	Description	Estimated Completion			
			FY23 Q2 Oct - Dec	**FY23 Q3 Jan - Mar**	**FY23 Q4 Apr - Jun**	**FY24 Q1 Jul - Sep**
1	Cybersecurity Follow-up	Assess the status of work done by ITS in response to prior audit.	🟢			
2	CMS Fabrication Process Special Review	Review the Central Maintenance Shops (CMS) manufacturing request process for reasonableness, efficiency, completeness and safety considerations.	🟢			
3	OCI Training	Assess the compliance of training records of new Bus Operators and of Operations employees with applicable requirements, completeness and accuracy.	🟢			
4	Micro Transit Program	Assess Shared Mobility's efforts in managing the Micro Transit program		🟢		
5	Business Continuity of Operations Plan (COOP)	Evaluate the adequacy of Rail Operations' COOP and Standard Operating Procedures to support Rail Operations' mission essential functions during emergencies.		🟢		
6	Real Estate Management System	Determine if prior audit findings and recommendations have been considered as part of the upcoming implementation of the new system.			🟢	

Completed: Performance Audit of Micro Mobility Vehicles Pilot Program

Objective

Determine the adequacy of Metro's process and internal controls over the billing process, assess to what extent equity provisions were considered for the MMV Program, and benchmark against other agencies' MMV parking programs to identify best practices.

Audit Results

MAS found that Parking Management had already self-identified many areas for improvement in the Program, which is commendable. However, there are opportunities for further enhancement.

Findings / Recommendation Themes

Finding 1: No contractual commitments from service providers

- Establish flat annual license fee that includes access to all rail stations and abolish all other recurring fees

BPI 1: Additional measures to monitor service providers' behavior and clear ADA violations quickly

- Report improperly parked MMVs in real time
- Relocation of improperly parked MMVs

BPI 2: Implement best practices to reduce enforcement burden

- Geofencing systems, guidance to parking zones, and enforced speed limits

BPI 3: Billing System Upgrades

- Track violations
- Billing account system
- Violation supporting documentation
- SOPs for violations / billing

BPI 4: Equity enhancements

- Complete Rapid Equity Assessment tool
- Market low-income discount programs

BPI 5: Program Management tools

- Develop metrics and KPIs for providers and program

Completed: Performance Audit of Transit Asset Inventory Records

Objective

Determine whether adequate controls exist over transit asset inventory records to help ensure completeness and accuracy of the Transit Asset Management (TAM) database.

Audit Results

MAS found that the processes for reviewing, validating, and confirming asset inventory records can be enhanced.

Findings / Recommendation Themes

Finding 1: Completeness of Transit Asset Inventory Records

- Periodically review accounting records for acquisitions to update TAM database and ensure completeness
- Identify missing assets by reviewing accounting records
- Consolidate inventory records from other groups

BPI 1: Accuracy of Transit Asset Inventory Records

- Include basic asset info in TAM database, i.e., cost
- Identify and communicate functional needs to implementation team in order to establish common asset identifiers and define data fields
- Identify missing key assets
- Determine if new EAMS will require responsible asset owners to conduct periodic inventory

Completed: Contract, Financial & Compliance Audits

Reviewed / Questioned

	Contract	Grant
Reviewed	$8,887,423	$13,892,032
Questioned	$1,505,873	$713,054

Chart axis: $- , $2,000,000 , $4,000,000 , $6,000,000 , $8,000,000 , $10,000,000 , $12,000,000 , $14,000,000 , $16,000,000
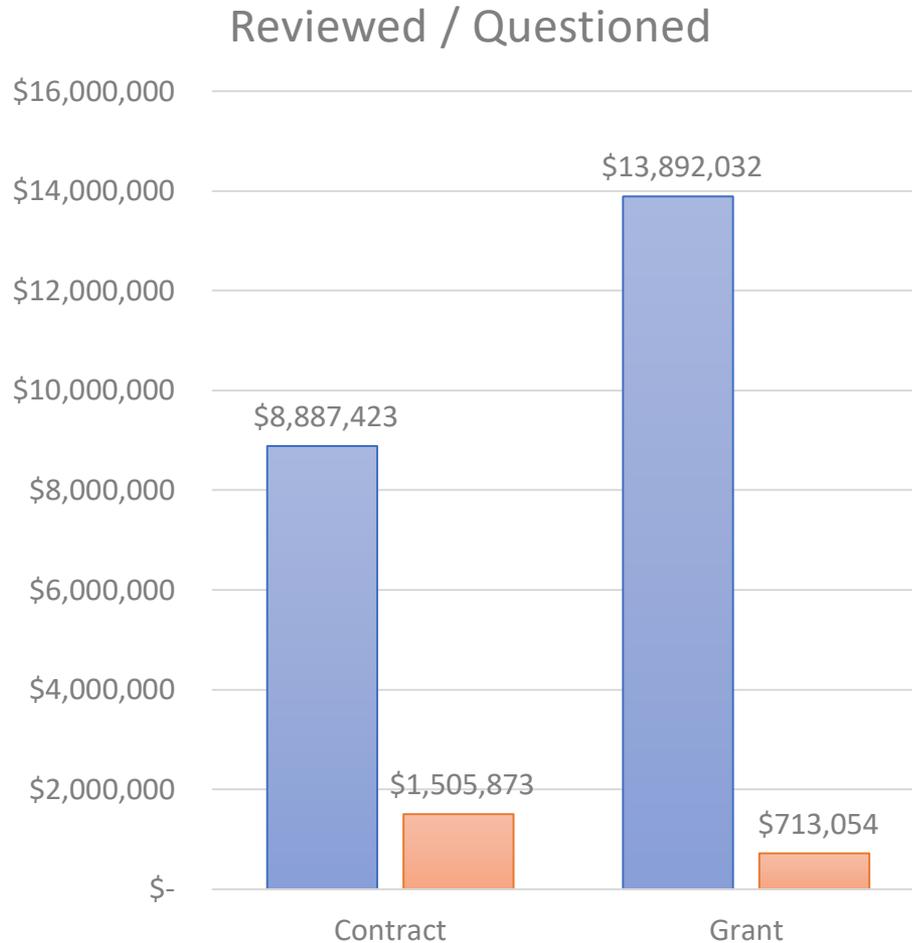
o Delivered financial audits that reviewed $23M of funding; and identified $2.2M (10%) for reprogramming

o Reviewed and approved 1 Transitional Indirect Cost Rate (TICR) determination for Small Business Enterprises (SBEs)