

Management Audit Services

# FY 2025 Second Quarter Report

Finance, Budget & Audit Committee  
February 20, 2025

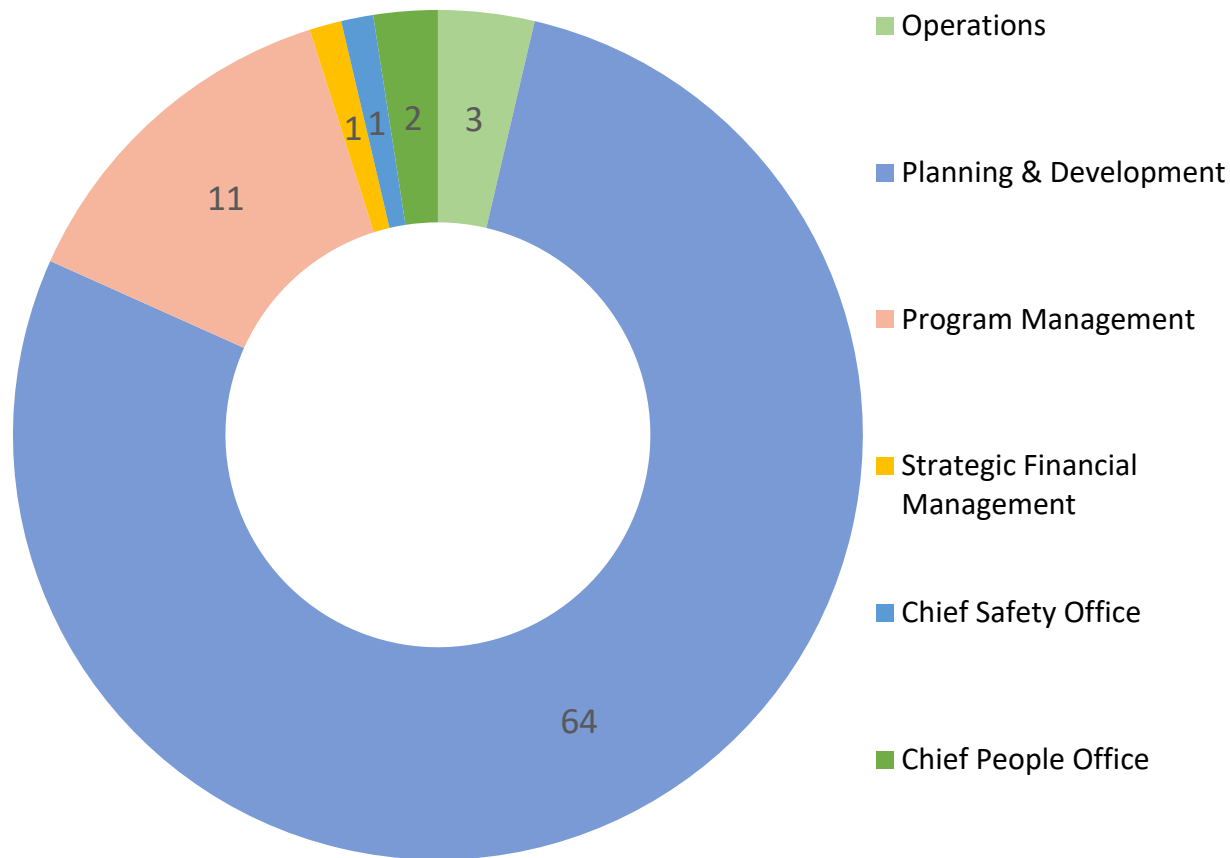
Kimberly Houston, Deputy Chief Auditor



MANAGEMENT  
AUDIT SERVICES







# In Progress: MAS Audit Activity

Agency Representation



- 6 Performance Audits
- 76 Contract, Financial and Compliance Audits

# In Progress: Performance Audits

			Estimated Completion	
	Audit Title	Description	FY25 Q3 Jan - Mar	FY25 Q4 Apr - Jun
1	Eastside Access Improvement Project	Assess whether usage of funds complied with applicable terms and determine whether the scope aligned with the board approved scope and other agreements.		
2	Purple (D-Line) Extension 1 (PDLE1)	Evaluate the state of processes and planning for final-year activities (testing, certification, training, activation) of PDLE1 transit project prior to start of revenue operations.		
3	Employee Pension Benefits	Verify accuracy of pension payroll deductions and contributions for active eligible employees.		
4	Physical Security Monitoring Equipment	Assess the adequacy of policies and procedures regarding video monitoring equipment at the agency.		
5	Employee Health Care Benefits	Verify accuracy and completeness of health / dental benefits enrollment and corresponding payroll deductions for active eligible recipients, excluding represented employees and retirees.		
6	25-CON-P01 - Gold Line Extension Phase 2B	Evaluate Metro's oversight of the Metro Gold Line Foothill Extension Construction Authority's project management of Gold Line Extension Phase 2B Project, and Metro Operations' project management over the final year processes leading to revenue service.		

# Completed: Third-Party Risk Management – Outsourced Service Providers

## Objective

Assess Metro's third-party information security risk management.

## Audit Results

- The InfoSec team is in the early stages of implementing a Vendor Risk Management (VRM) program and uses National Institute of Standards and Technology (NIST) guidelines as guidance.
- A fully developed policy and standard operating procedures still need to be created for this area and distributed agency wide.
- Training for project managers who interact with contracted service providers handling sensitive or confidential information is needed.
- Enhancements to the Contract Information Management System are necessary to support Metro's information security risk management efforts.

# Completed: Bus Operations' Continuity of Operations Plan (COOP)

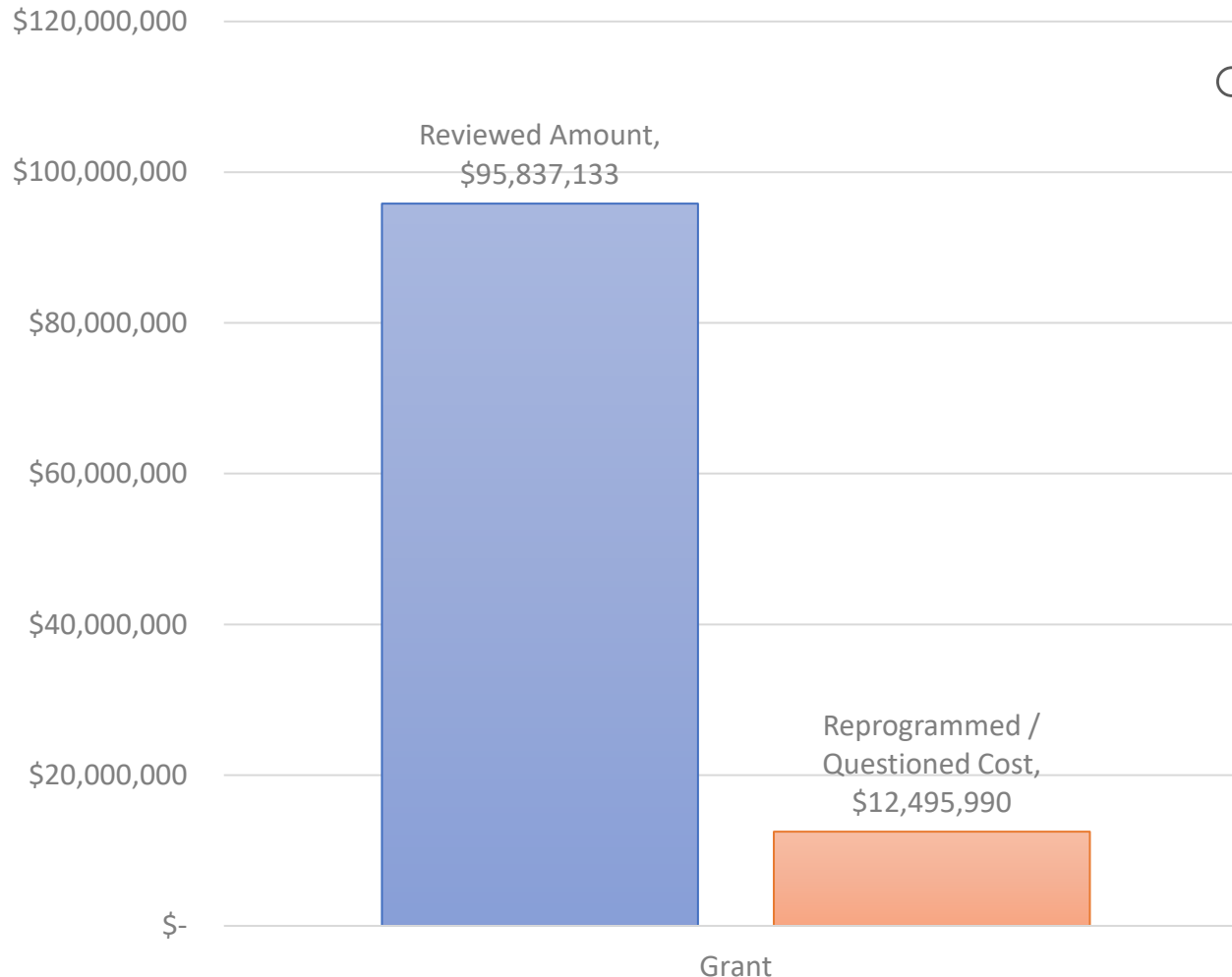
## Objective

Assess the adequacy of Bus Operations' COOP and Standard Operating Procedures (SOPs) for supporting mission essential functions during emergencies.

## Audit Results

- Bus Operations has a COOP and SOPs in place but require enhancements to better support the mission's essential functions during emergencies.
- Contracted Bus Services need to be included in the Bus COOP for coordination during major emergencies.
- Bus COOP is missing key information necessary for efficiently continuing mission essential functions during emergencies.
- Periodic Bus COOP training and updates have not been done since adoption of the Bus COOP, and Bus divisions did not have designated backup locations.
- Metro does not have formal emergency service priority commitments with electric utilities to guarantee continuity and provision of power for buses during power shortages or local outages, including warning before service cuts and priority restoration during extended emergencies as an essential public service.

# Completed: Contract, Financial & Compliance Audits



- Delivered financial audits that reviewed incurred project costs of \$96M and identified \$12M (13%) for potential reprogramming

Thank you