

# Fiscal Year 2021 Fourth Quarter Status Report and Cumulative Year-End Report



**Metro**

**MANAGEMENT  
AUDIT SERVICES**

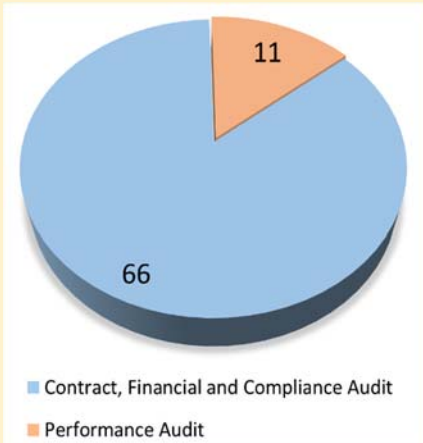
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# Executive Summary

In Progress Audits  
as of June 30, 2021

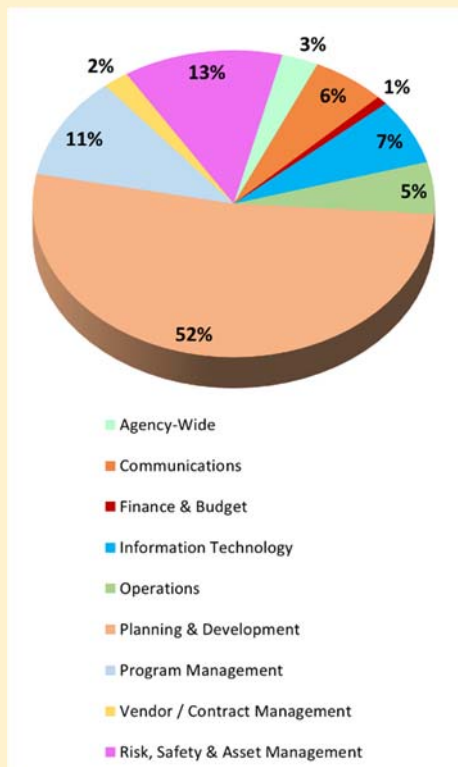


## Summary of In Progress Audit Activity

Management Audit Services (MAS) has 77 in progress projects as of June 30, 2021, which include 11 performance audits and 66 contract, financial and compliance audits. The in-progress performance audits are listed in Appendix A.

As of the reporting period, there are 43 open MAS audit recommendations; and 35 open Office of Inspector General (OIG) audit recommendations.

Summary of Audit Activity by Department  
Reporting Period  
April 1, 2021 – June 30, 2021



## Summary of Fourth Quarter Completed Audit Activity

MAS completed 11 audit projects and closed 12 open audit recommendations. The projects are comprised of 1 performance audit; 9 contract, financial and compliance audits; and 1 financial and compliance audit of Metro issued by an independent certified public accountant (CPA) firm.

MAS completed 11 Transitional Indirect Cost Rate (TICR) determinations.

The completed performance audits are highlighted on page 4. The completed contract, financial and compliance audits are highlighted on page 5. The financial and compliance audit of Metro issued by the external CPA firm is highlighted on page 6. A summary of closed and open audit recommendations is included on page 7.

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# Performance Audits

This section includes performance audits completed according to Generally Accepted Government Auditing Standards in addition to other types of projects performed by the Performance Audit team to support Metro. The other types of projects may include independent reviews, analysis or assessments of select areas. The goal of non-audit projects is to provide Metro with other services that help support decision making and promote organizational effectiveness.

## ***Follow-up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services***

The objective of this audit was to determine whether corrective actions were taken in response to the findings and recommendations included in the prior performance audit on efficiency and effectiveness of the oversight of contracted bus services performed by MAS in December 2015.

MAS found that Contract Services made progress in response to the prior audit's recommendations, as 10 out of 14 prior audit recommendations were implemented. Four of 14 recommendations were not fully implemented, which led to two repeat findings and one new finding as part of the follow-up audit. MAS identified opportunities to improve the monitoring practices; fare revenue control; and Simulated California Highway Patrol (SCHP) inspection follow-up process.

Management concurred with all recommendations and is implementing the corrective actions.

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# Contract, Financial & Compliance Audits

MAS staff completed 9 independent auditor's report on agreed-upon procedures of:

- Cornerstone Transportation Consulting, Inc.'s incurred indirect cost rate for the fiscal year ended December 31, 2018 for Purple Line Extension Section 3;
- Anil Verma Associates, Inc.'s indirect cost rate for FY 2018 for Division 20 Portal Widening Turnback Project;
- City of Long Beach's close-out incurred costs for the Daisy Corridor Bicycle Boulevard Project;
- City of Calabasas' close-out incurred cost for the Parkway Calabasas/US 101 Southbound Off-Ramp Improvements Project;
- County of Los Angeles Department of Public Works' close-out incurred costs for the South Bay Forum Traffic Signal Corridors Project;
- City of Los Angeles' close-out incurred costs for the Transit Oriented Development Planning for Stations on the Crenshaw and Exposition Phase II Light Rail Lines;
- City of Palmdale's close-out incurred costs for the Avenue S Widening Phase II Project;
- City of Pasadena's close-out incurred costs for the Pasadena ARTS Enhanced Passenger Information Project; and
- City of Paramount's close-out incurred costs of the Garfield Avenue Improvement Project.

MAS staff reviewed \$32 million of funds and identified \$3.5 million or 9% of funds that may be reprogrammed.

Details on contract, financial and compliance audits completed during FY 2021 fourth quarter are included in Appendix C.

## ***Transitional Indirect Cost Rate (TICR) Determinations***

In March 2020, MAS in concerted effort with Vendor / Contract Management, along with the guidance of County Counsel, updated the Transitional Indirect Cost Rate (TICR) Policy to expand the TICR pilot program to eligible firms for new firm-fixed price contract types. Under the revised TICR Policy eligible firms for new cost reimbursable and new firm fixed contract types may submit for eligibility to participate in the TICR program. The TICR provides firms with a transitional indirect cost rate of 115%.

During FY 2021 fourth quarter, 14 TICR determinations were reviewed of which 11 were approved and three were withdrew due to firms opting out.

A list of firms enrolled in the pilot program as of June 30, 2021 is included in Appendix D.

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# Financial and Compliance Audits of Metro

The following highlights the financial and compliance audit of Metro completed by the external CPA firm:

## ***STIP/PPM Program Year 2016-2017 – Issued May 2021***

In June 2013, Metro entered into a Fund Transfer Agreement (Agreement) with CalTrans to provide planning, programming and monitoring of projects for the development and preparation of the Regional Transportation Improvement Program.

Metro is required to comply with the Agreement and to ensure that State Transportation Improvement Program (STIP) Planning, Programming, and Monitoring (PPM) funds are used in conformance with Article XIX of the California State Constitution, and for PPM purposes as defined in the Agreement.

Vasquez & Company (Vasquez) was contracted to complete a financial and compliance audit of STIP and PPM program funds for the period January 19, 2017 through December 31, 2019. Vasquez found that the financial schedule presents fairly, in all material respects and that Metro complied, in all material respects, with the compliance requirements of the Agreement and Article XIX of the California State Constitution applicable to Metro's STIP and PPM Program.

# Audit Support

## *Audit Follow-Up and Resolution*

The tables below summarize the open and closed audit recommendations as of June 30, 2021.

<b>MAS and External Audit Recommendations</b>					
<b>Executive Area</b>	<b>Closed</b>	<b>Late</b>	<b>Extended</b>	<b>Not Yet Due / Under Review</b>	<b>Total Open</b>
Operations	8		21	5	26
Program Management			1		1
Risk, Safety & Asset Management			2	1	3
Systems Security and Law Enforcement			9		9
Vendor/Contract Management	1		4		4
<b>Total</b>	<b>9</b>		<b>37</b>	<b>6</b>	<b>43</b>

<b>OIG Audit Recommendations</b>					
<b>Executive Area</b>	<b>Closed</b>	<b>Late</b>	<b>Extended</b>	<b>Not Yet Due / Under Review</b>	<b>Total Open</b>
Congestion Reduction			1		1
Human Capital & Development	3			28	28
Information Technology Services					
Operations				6	6
<b>Total</b>	<b>3</b>		<b>1</b>	<b>34</b>	<b>35</b>

Details of open audit recommendations for MAS and OIG are included in Appendix E and F.

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# FY 2021 Year-End Activity

## *Cumulative FY 2021 Completed Audit Activity*

As of the FY 2021 year-end, MAS completed 181 audit projects and closed 76 audit recommendations. Additionally, MAS completed 15 TICR determinations.

\*Of note: MAS cancelled one (1) audit project.

### Summary of Completed Projects

The completed audit projects comprise of:

- 9 performance audits which also include independent reviews, analysis or assessments of select areas;
- 21 contract, financial and compliance audits with an audit value amount of \$197 million; of which \$13.9 million or 7% of identified unused funds that may be reprogrammed; and
- 151 financial and compliance audits comprised mainly of legally mandated audits such as Prop A & C, Measure R, Measure M, State Transit Assistance (STA), Transportation Development Act (TDA), National Transit Database (NTD), and other funds distributed to the cities and County of Los Angeles.

Refer to Appendix B – Performance Audits Completed; and Appendix C – Contract, Financial and Compliance Audits Completed.

In addition, 18 TICR determinations were reviewed of which 15 were approved and three were withdrew due to firms opting out. A list of firms enrolled in the pilot program as of June 30, 2021 is included in Appendix D.

### Cancelled Project

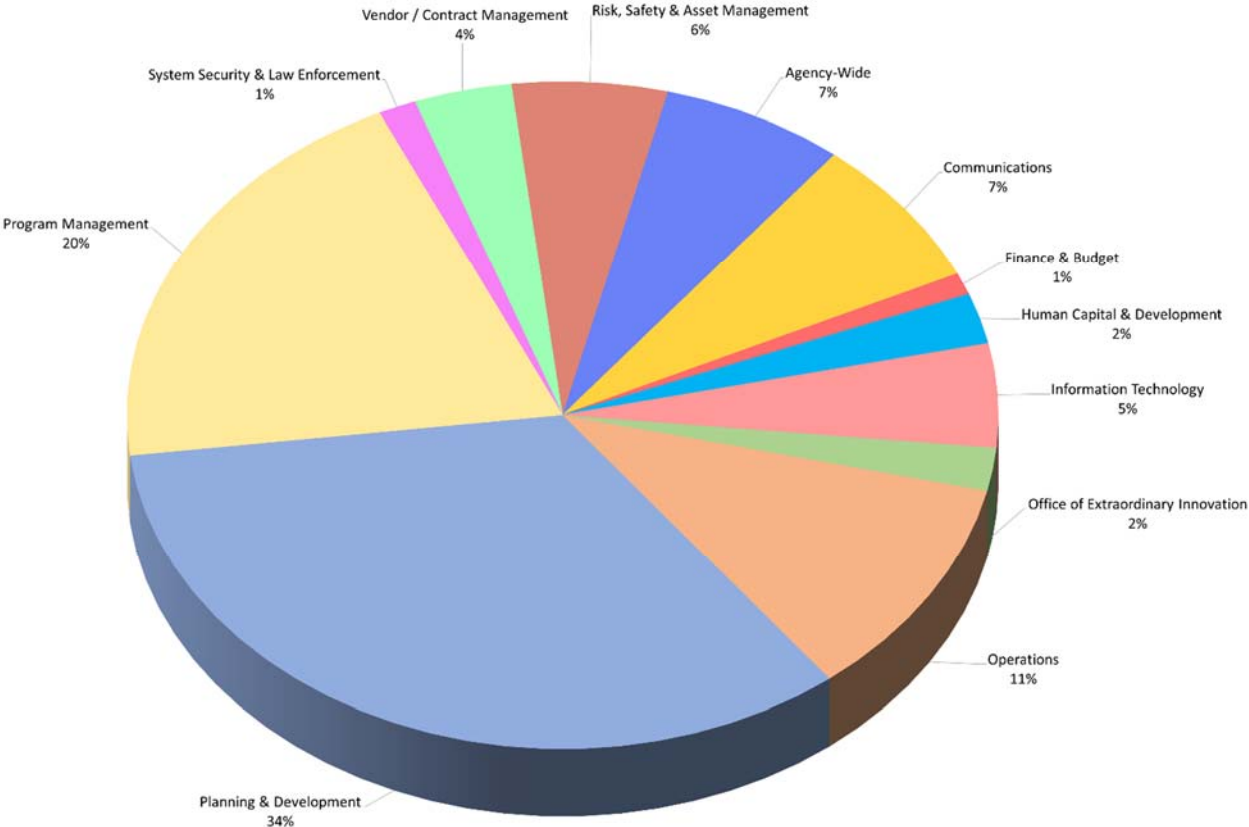
MAS cancelled the performance audit for the Position Reconciliation Process as there were not any material findings or recommendations that warranted the issuance of a formal audit report to Office of Management & Budget (OMB). MAS presented the suggested business process improvements through a management letter.

### Audit Follow-up

MAS closed 36 open recommendations during the fiscal year, and provided administrative support for the closure of 40 open OIG recommendations.



**Cumulative FY 2021 Audit Activity by Department**



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# Department Highlights

## Performance Audits

- **Special Review of the CRRC MA Corporation (CRRC) Supply Chain.** Completed a special review that evaluated CRRC MA Corporation (CRRC) Supply Chain's practices. CRRC is a key vendor providing major train equipment components to Metro. The special review specifically evaluated the completeness and accuracy of CRRC's statements provided to Metro concerning the non-use of limited use of the mineral mica in the carbody section and major systems of Metro's train equipment. Also assessed was compliance with California Transparency in Supply Chains Act of 2010. The Special Review provided recommendations describing ways in which CRRC's supply chain management could be improved.
- **Performance Audit and Independent Assessment of Wayside Systems Engineering and Maintenance.** Conducted an audit and an independent assessment to determine whether employees of Wayside Systems Engineering & Maintenance completed required technical, safety and mandated training, including required refresher courses. The audit also examined if required certifications for positions were current and whether employees had the adequate certification for the tasks assigned. The independent assessment reviewed the adequacy of rail engineering & maintenance technical, safety, and mandated training provided within the Wayside Track, Signal and the Traction Power units. The audit identified internal monitoring and training compliance improvements and specific recommendations for improved training effectiveness.
- **Consulting Engagement for Telecommute Research Project.** Performed a research project that compiled information on best practices related to telecommuting to support the Human Capital and Development Department and Metro's path forward plan in response to COVID-19.

## Contract, Financial and Compliance Audits

- **Bikeshare.** Completed an Agreed-Upon Procedures attestation report for Metro Bikeshare program to evaluate the contractor's accounting system controls and verify compliance with the billing and insurance provisions of the contract. The audit engagement identified key findings, recommendations and improvements for the continued operations of Metro's Bikeshare Program.
- **Annual Comprehensive Financial and Compliance Audit by Crowe.** Managed the FY2020 Annual Financial and Compliance Audits of Metro and its component units conducted by an independent Certified Public Accounting (CPA) firm, Crowe, LLP (Crowe). Crowe issued unmodified (clean) opinions on all of its reports including Annual Comprehensive Financial Report, Single Audit Report for Federal funds and State Transit Assistant (STA) Funds Report.

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- **Consolidated Audit.** Managed the FY2020 Consolidated audits performed by independent Certified Public Accounting (CPA) firms, Vasquez and Company and Simpson and Simpson CPAs. The Consolidated audits included the County of Los Angeles and 88 cities audits, Munis, Tier II Transit Operators, Access Services, Metrolink and Low Income Fare is Easy (LIFE) administrators for their use of Propositions A&C, Measures R&M Local Return Funds, Transportation Development Articles (TDA) 3, 4, and 8 funds and other funds that Metro programmed.

#### Administration and Policy

- **Multidisciplinary Development Program (MDD).** In September 2020, MAS launched the MDD program to promote professional development; create a culture of continuous learning; cross-train staff in various areas of the audit practice and discipline; and build internal capacity in support of delivering value-added audit services. Audit staff participated in industry specific and specialized training such as: ethics; diversity and inclusion; data analytics; standards for internal control; combined assurance; and construction auditing.

## Appendix A

Performance Audit - In Progress Audits as of June 30, 2021				
No.	Area	Audit Number & Title	Description	Estimated Date of Completion
1	Communications / Finance & Budget	20-COM-P01 Performance Audit of Expanded Discount Programs	Determine the adequacy and effectiveness of internal controls over the expanded discount (special fares for patrons) programs.	8/2021
2	Operations	18-AGW-P01 Performance Audit of Internal Controls over Overtime Payments for AFSCME	Evaluate adequacy of the internal controls over overtime payments for AFSCME union employees within Operations for selected positions.	8/2021
3	Systems Security and Law Enforcement / Risk, Safety & Asset Management	21-RSK-P02 Performance Audit of COVID Compliance	Determine Metro's compliance with the COVID-19 planned document as well as with applicable state transit industry guidelines.	8/2021
4	Operations	21-SEC-P01 Rail Operations Continuity Of Operations Plan	Evaluate the adequacy of Rail Operations COOP and Standard Operating Procedures (SOPs) to support Rail Operations mission essential functions during emergencies.	9/2021
5	Agency-Wide	20-ITS-P01 Performance Audit of IT Security Awareness	Evaluate the extent of information technology security awareness for selected business units within the Agency.	10/2021
6	Planning & Development	21-PLN-P01 Micro Mobility Vehicles Program	Assess the progress made in achieving program goals and objectives, including assessing the consideration given to the Metro rapid equity assessment tool.	10/2021
7	Environmental Compliance and Sustainability	21-CON-P02 Agreed Upon Procedures for Metro-Owned RINs	Verify that Metro's EPA reporting of RINs (renewable identification numbers) for renewable energy credits are complete and accurate for calendar year 2020.	10/2021
8	Risk, Safety & Asset Management	21-RSK-P03 Transit Asset Inventory Records	Evaluate the adequacy of the records for this area, with a focus on accuracy, completeness and proper controls over asset records.	10/2021

## Appendix A

<b>Performance Audit - In Progress Audits as of June 30, 2021</b>				
<b>No.</b>	<b>Area</b>	<b>Audit Number &amp; Title</b>	<b>Description</b>	<b>Estimated Date of Completion</b>
9	Planning & Development	21-PLN-P02 Real Estate Management System	Determine if prior audit findings and recommendations have been considered as part of the upcoming implementation of the new Real Estate Management System.	11/2021
10	Operations / Risk, Safety / Environmental Compliance	20-OPS-P01 Performance Audit of Personal Protective Equipment for Maintenance	Determine the adequacy of training and utilization of personal protective equipment by Metro workers performing clean-ups of Metro facilities impacted by activities of homeless individuals.	Project is on Hold
11	Operations	21-OPS-P02 Performance Audit of the Angel's Flight MOU	Evaluate the compliance of the third party operator with the MOA between Metro and the City of Los Angeles concerning the operation of the Angel's Flight railway in downtown Los Angeles.	Project is on Hold

## Appendix B

Performance Audit - Audits Completed as of June 30, 2021				
No.	Area	Audit Number & Title	Description	Date of Completion
1	Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering and Maintenance Training	Determine whether existing and newly hired employees of Wayside Systems Engineering & Maintenance completed the required training (technical, safety, and mandated) including required refresher courses; required certification per position is current; and employees have the right certification for the tasks assigned.	7/2020
2	Operations	20-OPS-P03 Assessment of Wayside Systems Engineering Maintenance Training	Review and evaluate the adequacy of the rail engineering & maintenance technical, safety, and mandated training provided to Wayside Track, Signal and the Traction Power units.	7/2020
3	Vendor / Contract Management	20-CEO-P01 Special Review of the CRRC MA Corporation (CRRC) Supply Chain	Evaluate the completeness and accuracy of CRRC's statements provided to Metro on the non-use or limited use of mica in the carbody section and major systems of Metro's train equipment.	7/2020
4	Operations	20-OPS-P04 Performance Audit of Contract Compliance for Parkwood Rights-of-Way Maintenance Contracts	Determine Parkwood's compliance and required performance with contractual terms and conditions for select areas for the period from November 15, 2015 (contract inception) to October 30, 2019.	10/2020
5	Operations	Performance Audit of Internal Controls over Overtime Payments – AFSCME (Transit Security)	Evaluate adequacy of the internal controls over overtime payments for AFSCME union employees within Operations for selected positions.	11/2020
6	Human Capital & Development	21-HCD-P01 Telecommuting Consulting Project	Compile information on best practices for this area, and verify selected information already collected by Metro that will inform policy decisions.	11/2020
7	Environmental Compliance and Sustainability	21-CON-P01 Agreed Upon Procedures for Metro-Owned RINs	Verify that Metro's EPA reporting of RINs (renewable identification numbers) for renewable energy credits are complete and accurate for calendar years 2018 and 2019.	12/2020
8	Vendor / Contract Management	21-VCM-P01 Business Interruption Fund (BIF) Pilot Program	Validate compliance with administrative guidelines and fund disbursement procedures.	3/2021
9	Operations	20-OPS-P02 Follow up Audit of Contracted Bus Services Project Management	Evaluate if prior Contracted Bus Service Project Management corrective actions were implemented.	4/2021

## Appendix C

<b>Contract, Financial and Compliance Audit - Audits Completed as of June 30, 2021</b>				
<b>No.</b>	<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Auditee</b>	<b>Date Completed</b>
1	Program Management	18-CON-A14 - Agreed-Upon Procedures	HDR Engineering, Inc.	8/2020
2	Operations	20-OPS-A01 - Agreed-Upon Procedures	CRRRC MA Corporation	9/2020
3	Program Management	20-CON-A01 - Agreed-Upon Procedures	Skanska Traylor Shea	9/2020
4	Program Management	20-CON-A11- Agreed-Upon Procedures	PMCS Group Inc.	10/2020
5	Planning & Development	20-PLN-A07 - Closeout	City of Commerce	10/2020
6	Planning & Development	19-PLN-A19 - Closeout	City of Santa Clarita	10/2020
7	Program Management	20-CON-A12- Agreed-Upon Procedures	Paleo Solutions, Inc.	11/2020
8	Program Management	20-CON-A13- Agreed-Upon Procedures	Zephyr UAS, Inc.	12/2020
9	Planning & Development	20-PLN-A53 - Agreed-Upon Procedures	Bicycle Transit Systems, Inc.	12/2020
10	Program Management	19-HWY-A01 - Closeout	I-5 Consortium Cities Joint Powers Authority	3/2021
11	Program Management	18-CON-A22 - Agreed-Upon Procedures	HNTB Corporation	3/2021
12	Planning & Development	18-HCD-A01 - Agreed-Upon Procedures	iNet Inc. (dba iParq)	3/2021

## Appendix C

<b>Contract, Financial and Compliance Audit - Audits Completed as of June 30, 2021</b>				
<b>No.</b>	<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Auditee</b>	<b>Date Completed</b>
13	Program Management	20-CON-A10 - Agreed-Upon Procedures	Cornerstone Transportation Consulting, Inc.	4/2021
14	Planning & Development	20-PLN-A10 - Closeout	City of Long Beach	4/2021
15	Program Management	18-HWY-A06 - Closeout	City of Calabasas	4/2021
16	Planning & Development	19-PLN-A12 - Closeout	County of Los Angeles Department of Public Works	5/2021
17	Planning & Development	19-PLN-A16 - Closeout	City of Los Angeles	5/2021
18	Program Management	20-CON-A14 - Agreed-Upon Procedures	Anil Verma Associates, Inc.	5/2021
19	Planning & Development	20-PLN-A02 - Closeout	City of Palmdale	5/2021
20	Planning & Development	20-PLN-A19 - Closeout	City of Pasadena	6/2021
21	Program Management	21-HWY-A02 - Closeout	City of Paramount	6/2021



## Appendix D

<b>Transitional Indirect Cost Rate – Approved Firms as of June 30, 2021</b>		
<b>No.</b>	<b>Firm</b>	<b>Approval Date</b>
1	Summit Consulting & Engineering, Inc.	7/30/2019
2	Conaway	8/18/2020
3	OhanaVet	8/18/2020
4	Sunenram	8/18/2020
5	Vicus	8/18/2020
6	EcoTeal, Inc.	4/22/2021
7	Redwood Resources	4/22/2021
8	3P Premier Program Partners	4/22/2021
9	Akima Consulting, LLC	4/22/2021
10	Loop Environmental	4/22/2021
11	Schweitzer	4/22/2021
12	Polytechnique	4/22/2021
13	Tim Reeve Consulting, Inc.	4/22/2021
14	Impact Sciences	4/22/2021
15	All About Waste	4/22/2021
16	Letini Design & Marketing	4/22/2021

## Appendix E

Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
1	Systems Security and Law Enforcement	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	1a	We recommend that the Emergency Management Unit collaborate with the business units, starting with V/CM, to ensure that the business unit COOPs, and all related documents (e.g., Standard Operating Procedures [SOPs]), include the essential content necessary to support the agency-wide program. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist V/CM.</b>	6/30/2020	12/31/2021
2	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	1b	We further recommend that over the next 12 to 18 months, V/CM should consider focusing its efforts on completing and including the following content with Emergency Management's support and guidance: criteria for COOP activation and relocation decisions; flow charts and decision trees; step-by-step instructions applicable to Gateway or agency-wide emergencies; names, titles and contact details such as phone numbers and emails for all continuity personnel (e.g., Advance Team, Continuity Management Group [CMG], and successors); distribution and logistics dependencies, such as MEFs, mission essential systems, records, databases, supplies and equipment; mission essential records and database storage locations. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist V/CM.</b>	10/30/2020	10/31/2021
3	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	2	We recommend that V/CM management review and reassess the COOP and SOPs periodically to verify that any resulting updates are implemented, including updating V/CM's COOP contact details in the event of key personnel changes. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist V/CM.</b>	4/30/2020	9/30/2021
4	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	3	We recommend that V/CM management work with Emergency Management to arrange for COOP execution training by an emergency management expert concurrently with each annual update. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist V/CM.</b>	7/31/2020	9/30/2021

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix E

Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
5	Program Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	4	We recommend that the Chief Program Management Officer take the lead role in collaborating with all responsible parties, such as V/CM, Project Delivery Third Party Coordination, County Counsel, etc., to establish agreements with utility companies to guarantee service continuity and restoration in emergency situations. <b>Update: Metro is negotiating Essential Use designation with SCE, DWP &amp; CPUC as a basis for utility emergency service agreements.</b>	3/31/2020	12/31/2021
6	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	5	We recommend that V/CM management consider referencing all the existing COOP-related SOPs to the COOP and/or attaching them as appendices to the COOP, doing the same to the SOPs under development as they are completed. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist V/CM.</b>	10/30/2020	12/31/2021
7	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Changes	5	We recommend Operations management immediately perform all the needed corrections for underpayments and overpayments for all Line Instructor Premium (LIP) eligible hours from July 1, 2017 to date. <b>Update: Operations' staff prepared two LIP retroactive pay calculations which have been verified; decision on minor 2017 pay correction is pending with Operations.</b>	12/31/2019	8/31/2021
8	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	1	We recommend that Emergency Management should coordinate with Payroll to facilitate training and add the additional details to Finance (Payroll)'s COOP and SOPs, including criteria for COOP activation and relocation decisions, flow charts, decision trees and step-by-step instructions. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.</b>	2/28/2021	1/31/2022
9	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	2	We recommend that Emergency Management should coordinate with Payroll to create an SOP template to include names, titles and contact details (phone numbers and emails) for all continuity personnel, such as the CMG, key continuity positions and successors. Advance team references should state "provided by ITS". <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.</b>	7/31/2020	1/31/2022

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix E

Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
10	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	3	We recommend that Emergency Management should coordinate with Payroll to review and assess the COOP and SOPs annually and verify that any resulting updates are implemented. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.</b>	7/31/2020	1/31/2022
11	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	4	We recommend that Emergency Management should coordinate with Payroll to schedule COOP execution training by an emergency management expert concurrently with each annual COOP update. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.</b>	7/31/2020	1/31/2022
12	Operations	19-OPS-P02 Performance Audit of the Rail Communications Systems	8 Total	The recommendations included in this report address findings in Metro's Operational System. <b>Update: As of December 2020, 4 of 12 recommendations were closed.</b>	On-going	
13	Operations	19-OPS-P03 Performance Audit of the SCADA Security Controls	8 Total	The recommendations included in this report address findings in Metro's Operational System. <b>Update: As of June 2021, 5 of 13 recommendations were closed.</b>	On-going	
14	Risk, Safety & Asset Management	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	2	We recommend that the Chief Risk, Safety & Asset Management Officer raise awareness of the Field Observation and Feedback (FOF) program. <b>Update: A new mandatory FOF online training program has been set to release in November 2020 to train all supervisory personnel, including the proper fashion for completing a FOF, discussion items while conducting a FOF and requirements of the FOF Policy. FOFs are regularly discussed at LSC meetings and a FOF awareness campaign is currently being discussed with Operations.</b>	3/31/2020	12/31/2021
15	Risk, Safety & Asset Management	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	3	We recommend that the Chief Risk, Safety & Asset Management Officer develop additional input controls in the Transit Safe System, by designating required FOF form fields as mandatory, including Supervisors sign-off to review for accuracy of information, to prevent the close out of FOF records without completion of all required fields and to ensure quality of information is maintained. <b>Update: TransitSafe's replacement software is in the process of being configured and implemented and will include FOF reporting functionality. Due to the pandemic, vendor staffing changes and historical data transition issues, the implementation has been delayed.</b>	7/31/2020	11/30/2021

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix E

Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
16	Risk, Safety & Asset Management	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	4	We recommend that the Chief Risk, Safety & Asset Management Officer incorporate recommendation #3, above, in the upcoming replacement system of Transit Safe.	12/31/2021	
17	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	1	We recommend that Emergency Management collaborate with SS&LE to establish at least three new locations to accommodate emergency back-up SS&LE command centers. As a suggestion, not more than one facility should be close to Gateway Plaza. The other two should be far enough away from Gateway and from each other that there is little risk that a wide area emergency could affect all three locations. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&amp;LE.</b>	7/30/2020	1/31/2022
18	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	3	We recommend that Emergency Management should coordinate with SS&LE to facilitate training and add the additional details to the SS&LE COOP and SOPs, including criteria for COOP activation and relocation decisions, flow charts, decision trees and step-by-step instructions. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&amp;LE.</b>	7/30/2021	1/31/2022
19	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	4	We recommend that Emergency Management should coordinate with SS&LE to create a Standard Operating Procedures template to include names, titles and contact details (phone numbers and emails) for all continuity personnel, such as the CMG, key continuity positions and successors; and reference and attach all COOP-related SOPs as Appendices to the COOP. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&amp;LE.</b>	7/30/2020	1/31/2022
20	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	7	We recommend that Emergency Management should coordinate with SS&LE to schedule COOP execution training by an emergency management expert concurrently with each annual COOP update (See COOP Appendix M). <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&amp;LE.</b>	7/31/2021	1/31/2022

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix E

Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
21	Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering and Maintenance Training	1a	We recommend that the Chief Operations Officer require Wayside Systems Engineering and Maintenance management to perform a training needs assessment to accurately determine the number of Instructors required to ensure that formal refresher training is provided regularly within the Signal, Track, and Traction Power departments.	7/31/2021	
22	Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering and Maintenance Training	1b	We recommend that the Chief Operations Officer require Wayside Systems Engineering and Maintenance management to develop a Formal Refresher Training that supports the technical competence of maintenance personnel and supports the improvement of system reliability of assets. Refresher Training should be focused on areas where the increasing number of failures or repeat write-ups are occurring within the Signal, Track, and Traction Power departments. <b>Update: Completed but pending supporting documentation.</b>	2/28/2021	6/30/2021
23	Operations	20-OPS-P02 Follow -up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	1	MAS recommends that Contract Services management establish a timeline and finalize the Contract Monitoring Plan.	7/30/2022	
24	Operations	20-OPS-P02 Follow -up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	2	MAS recommends that Contract Services management develop formal written policies and procedures that include a) a requirement that decisions requiring executive approval be documented and b) a requirement that all modifications of contractual terms be documented and executed by the Contract Administrator.	12/31/2021	
25	Operations	20-OPS-P02 Follow -up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	3	MAS recommends that Contract Services management formulate and establish a formal training program to support skills development in the monitoring of contractor's performance.	12/31/2021	
26	Operations	20-OPS-P02 Follow -up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	4	MAS recommends that Contract Services management continue to work with appropriate stakeholders to resolve the fareboxes issue and establish a timeline by when this will be completed. Once fareboxes are operational, the reconciliation process should be fully restored to include the triggering of a revenue compliance inspection for variances exceeding the threshold by above or below 2%. <b>Update: The Fareless System Initiative has delayed the resolution of the fareboxes issue.</b>	4/30/2021	9/30/2021

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix E

Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
27	Operations	20-OPS-P02 Follow -up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	5	MAS recommends that Contract Services management implement a review process where deposit amounts on the Monthly Farebox Analysis are compared to the supporting bank statement. <b>Update: The Fareless System Initiative has delayed the resolution of the fareboxes issue.</b>	5/31/2021	9/30/2021
28	Operations	20-OPS-P02 Follow -up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	6	MAS recommends that Contract Services management ensure that follow-up procedures are performed for all findings cited in the Simulated California Highway Patrol (SCHP) inspection reports, especially for safety related exceptions, and document the follow-up reviews performed.	5/31/2021	6/30/2021
29	Operations	20-OPS-P02 Follow -up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	7	MAS recommends that Contract Services management work with the Quality Assurance (QA) team to determine the frequency of SCHP (QA) inspections needed to help ensure the level of safety and customer experience acceptable for bus operations.	5/31/2021	6/30/2021

Any findings that have not been corrected 90 days after the due date are reported as late.

## Appendix F

OIG Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
1	Operations	17-AUD-04 Review of Metro Safety Culture and Rail Operational Safety	6 Total	The 117 recommendations included in this report address findings in Safety Culture, Red Signal Violations, Safety Assessment of Infrastructure Elements, Technology, Operations and Maintenance, Human Resources, and etc. <b>Update: As of December 2020, 111 of 117 recommendations were closed.</b>	Pending	
2	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	6	LA Metro FSP should set a target for its Benefit-to-Cost ratio, either in comparison to the statewide average or develop its own annual target. This is especially important as costs are expected to rise over the next several years as insurance and vehicle costs continue to escalate. If such the annual target is not met, it would trigger LA Metro FSP to conduct a deeper evaluation of its program and identify potential strategies to improve the following year's performance.	10/1/2020	7/1/2022
3	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	1	Employ Oracle Talent Acquisition Cloud (OTAC), Metro's new Applicant Tracking System, to obtain and utilize talent analytics	7/30/2021	
4	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	2	Hold hiring process stakeholders accountable for faster decision making	7/30/2021	
5	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	3	Decrease post-testing communication time for the candidates	7/30/2021	
6	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	4	Select interview dates and interviewers prior to the Hiring Plan Meeting	7/30/2021	
7	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	5	Implement a digital workflow to autoroute forms and utilize electronic signatures and assign a back-up signatory	7/30/2021	
8	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	6	Implement digital interview note-taking, scoring, and uploading of candidate results	7/30/2021	
9	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	7	Improve communication between Talent Acquisition (TA) and Hiring Managers regarding changes in the hiring process	7/30/2021	
10	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	8	Encourage greater use of department interviews	7/30/2021	
11	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	9	Allow Qualified Candidate Pools (QCPs) with similar Minimum Qualifications (MQs) to be shared	7/30/2021	
12	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	10	Clarify decision-making roles and responsibilities throughout the entire hiring process	7/30/2021	



## Appendix F

OIG Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
13	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	11	Grant Hiring Managers greater decision-making authority in screening	7/30/2021	
14	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	12	Ensure full adoption of the OTAC system coupled with adoption of an effective change management process	7/30/2021	
15	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	13	Expand Hiring Managers' influence by allowing additional Minimum Qualifications to a position	7/30/2021	
16	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	14	Reevaluate the use of blind screening in 12 months	7/30/2021	
17	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	15	Transition Equal Employment Opportunity (EEO) role from active participant to advisor, auditor, and trainer	7/30/2021	
18	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	16	Utilize self-service portal for candidates to provide evidence of education and references	7/30/2021	
19	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	17	Provide stakeholders with the ability to receive live application status updates	7/30/2021	
20	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	18	Communicate to Metro employees why it lacks a promotion process	7/30/2021	
21	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	19	Ensure OTAC's application portal meets candidates' needs	7/30/2021	
22	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	20	Update auto-generated communications to applicants after application submission to improve hiring process expectations	7/30/2021	
23	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	21	Institute a combination of standardized and non-standardized interview questions	7/30/2021	
24	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	22	Update initial communication to candidates placed on QCP	7/30/2021	
25	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	23	Send periodic automated emails to candidates in QCP to keep them engaged and aware of opportunities for which they may be considered	7/30/2021	
26	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	24	Request complete employment history earlier in the process	7/30/2021	
27	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	25	Consider characteristics other than years of direct work experience when determining salary offers and when screening applications	7/30/2021	

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OIG Open Audit Recommendations as of June 30, 2021						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
28	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	26	Reduce required memos and forms and expedite their completion	7/30/2021	
29	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	27	Consider increasing the 15% cap on raises for internal candidates	7/30/2021	
30	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	28	Decrease the job posting salary ranges	7/30/2021	