

Management Audit Services

# FY 2022 Third Quarter Report

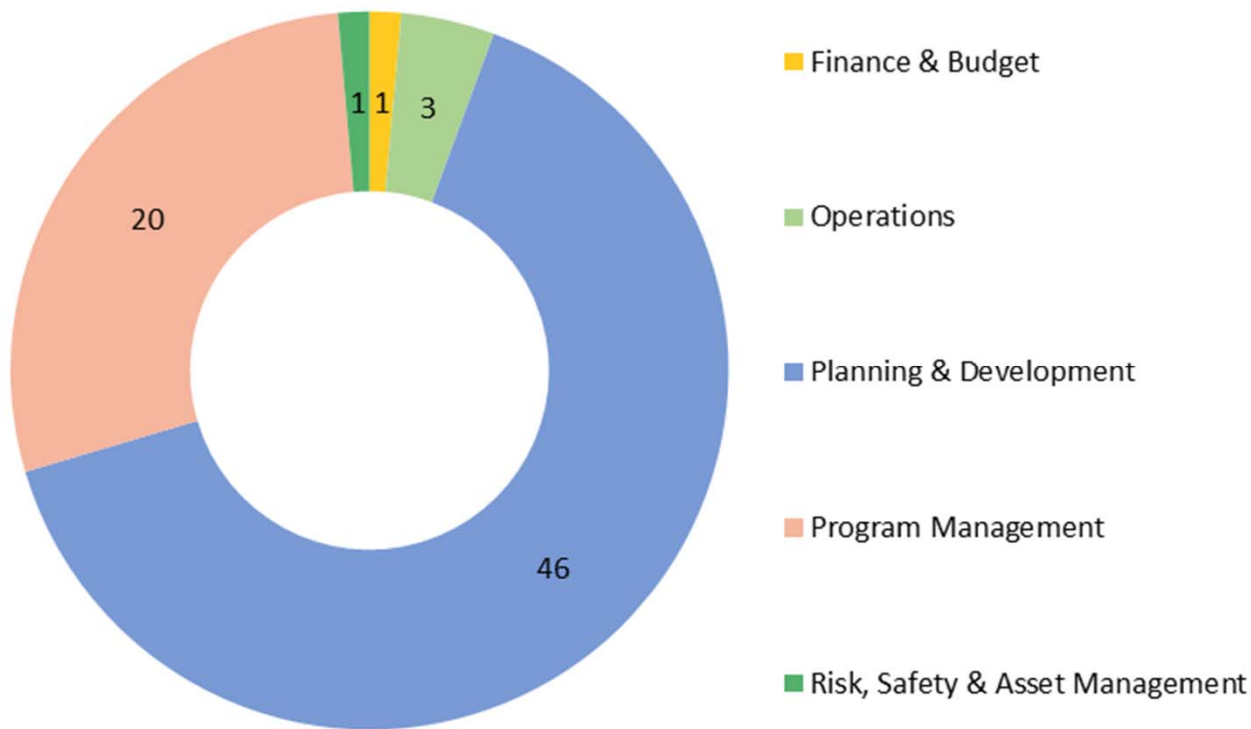
Finance, Budget & Audit Committee  
May 18, 2022



MANAGEMENT  
AUDIT SERVICES




# In Progress: MAS Audit Activity

Agency Representation



- 3 Performance Audits
- 68 Contract, Financial and Compliance Audits

# In Progress: Performance Audits

			Estimated Completion
	Audit Title	Description	FY22 Q4 Apr - Jun
1	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.	
2	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.	
3	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.	

# Completed: Metro-Owned Renewable Identification Numbers (RINS)

## Objective

Verify that Metro's Environmental Protection Agency (EPA) reporting of RINs for renewable energy credits are complete and accurate.

## Audit Results

Talson Solutions, LLC found that one finding that required corrective action related to the RINS activity reports.

## Findings / Recommendation Themes

### Finding 1: RINS Activity Reports

- File quarterly activity reports
- Retire the expired RINs in the EMTS system

# Completed: Business Interruption Fund (BIF) Pilot Program

## Objective

Determine Pacific Coast Regional Small Business Development Corporation's (PCR) compliance with the Los Angeles County Metropolitan Transportation Authority's (Metro) Business Interruption Fund (BIF) Administrative Guidelines and Fund Disbursement Procedures.

## Audit Results

BCA Watson Rice found that PCR complied, in all material respects, with Metro's BIF Administrative Guidelines and Fund Disbursement Procedures as listed in the notes to the BIF Pilot Program.

# Completed: Performance Audit Of Information Security Awareness

## Objective

Identify potential improvement opportunities relating to user information security awareness with a focus on Information Security training oversight, efforts and practices, and system user departments' efforts and practices.

## Audit Results

MAS found that Information Technology Services (ITS) continuously provides staff with policies, standards, training, and agencywide emails to support user information security awareness.

## Findings / Recommendation Themes

### Finding 1: Strengthen oversight and monitoring over information security training

- Specify reminder notification requirements (e.g., due date, frequency).
- Determine training needs to cover necessary policy requirements and incorporate any near-term policy updates related to information security.
- System users acknowledgement of having received IT policies/standards and/or completion of training(s).
- Define, document, and communicate roles and responsibilities related to oversight of mandatory/required trainings.
- Establish timeframe target for resolving technical issues and enabling automated notification feature.

### Finding 2: System user awareness training program exclusions

- Establish a formal guideline that guides decisions on training method and who should receive training
- Establish minimum requirement and/or expectation for consultants and support the training needs as necessary.
- Document the roles and responsibilities of Talent Development, and sponsoring departments when required training is developed.

# Completed: Contract, Financial & Compliance Audits

Reviewed / Questioned Amount



- Delivered financial audits that reviewed \$3.3 million of funding; and identified \$218 thousand (7%) for reprogramming

# Management Audit Services Audit Charter

- Formal document that defines MAS' purpose, authority, independence, and responsibility
- Standards require that MAS periodically review and obtain Board of Directors approval
  - Last approved in October 2018
- Revised based on MAS' review and independent Internal Quality Self-Assessment (IQSA) recommendations
  - Board approval May 2022



# Next Steps

- Present FY 23 annual audit plan to executive leadership and the Board of Directors
- Report on Consolidated Audit Reports (FY 21)
- Ensure ongoing implementation of performance and financial audits and reporting

Thank you