



FY2026-30
Consolidated Audit
Contract Award

Finance, Budget and Audit Committee
April 16, 2026

Kimberly Houston, Deputy Chief Auditor
Lauren Choi, Senior Director, Audit

Recommendation

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a five-year, firm fixed unit rate Contract No. PS135819000 to Vasquez & Company LLP to perform Consolidated Financial and Compliance Audit of the programs, jurisdictions, and agencies listed in Attachment A (Package A) for fiscal years (FY) 2026-2030 in the Not-To-Exceed (NTE) amount of \$2,715,634, effective May 1, 2026, subject to the resolution of any properly submitted protest(s) if any; and
- B. AWARD a five-year, firm fixed unit rate Contract No. PS135819001 to Simpson and Simpson LLP to perform Consolidated Financial and Compliance Audit of the programs, jurisdictions, and agencies listed in Attachment B (Package B) for FY2026-2030 in the Not-To-Exceed (NTE) amount of \$3,121,225, effective May 1, 2026, subject to the resolution of any properly submitted protest(s), if any.

Issue



Metro is required to have an independent auditor perform financial and compliance audits.



Audits provide reasonable assurance that recipients of subsidies are in compliance with the statutes of each applicable funding source.



Audits will be conducted in accordance with generally accepted government auditing standards and will meet the American Institute of Certified Public Accountants' Standards.



The current contracts expire June 30, 2026.

Background

Metro allocates over \$1.2 billion annually to the stated programs and distributes them to the 88 cities (Cities), as well as the County of Los Angeles, and other agencies.

The consolidated audit process includes financial and compliance audits of the following programs:

- Local Funding Program to the 88 cities and Unincorporated Los Angeles County, including Proposition A&C, Measure R, and Measure M
- Transit System Funds
- Proposition A Growth Over Inflation Funds
- EZ Transit Pass Program
- SB125 Zero Emission Transit Capital Program
- LADOT Operating Data (Proposition A Incentive Programs)
- LIFE
- Metrolink Program
- Access Services

Discussion

- Contracts are divided into two geographically based packages,
 - Award limited to one package per firm to preserve auditor independence and ensure adequate coverage.
- In accordance with AB 1345, a local agency may not employ a public accounting firm whose lead audit partner has performed audit services for that agency for six consecutive fiscal years.
 - Consistent with this requirement and to further maintain independence, MAS has implemented a 5-year rotation rule for engagement partners for all external auditors.

Questions