

**Los Angeles County**  
**Metropolitan Transportation Authority**  
**Office of the Inspector General**

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**Audit of Controls Over**  
**Metro Non-Revenue Vehicles**  
**(Phase II)**

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**Report No. 23-AUD-05**

**May 8, 2023**



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**DATE:** May 8, 2023

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Metro Chief Executive Officer

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**E-SIGNED** by Yvonne Zheng  
on 2023-05-08 09:28:49 PDT

**SUBJECT:** Final Report: Audit of Controls over Metro Non-Revenue Vehicles (Phase II)  
(Report No. 23-AUD-05)

## **INTRODUCTION**

The Office of Inspector General (OIG) performed an audit of Metro’s internal controls over non-revenue vehicles (NRVs). This audit was conducted to assist Metro to improve its internal control over non-revenue vehicles to deter fraud, waste, and abuse and in support of Metro’s core business goal to provide responsive, accountable, and trustworthy governance within the Metro organization.

The results of our audit for Phase I were released on March 9, 2023 (Report Number 2023-AUD-04). Phase I focused on controls on NRVs acquisition, disposal, 24-hour assigned vehicles, department pool vehicles, General Services pool vehicles, and IRS reporting of non-cash taxable benefits.

This report covers Phase II of our audit, which focused on determining if NRV drivers complied with the ExpressLanes usage policy and observed vehicle, traffic and parking codes, as required in GEN 16 – General Management Policy on NRVs. We also verified if controls in handling and reporting NRV accidents are in place and adequate.

## **OBJECTIVES, METHODOLOGY AND SCOPE OF AUDIT**

The overall objective of this audit is to determine whether internal controls over Metro’s non-revenue vehicles (NRVs) are adequate and effective.

The specific objectives of our Phase II audit are to determine whether:

1. Metro employees assigned and utilizing Metro NRVs are in compliance with the ExpressLanes usage policy;
2. Drivers of NRVs observe vehicle, traffic and parking codes; and
3. Controls in handling and reporting accidents are adequate.

To achieve the above audit objectives, we gained our understanding of Metro's management controls in NRVs processes by reviewing applicable policies and procedures, and interviewing Metro personnel in Maintenance Administration, Facilities/Property Maintenance, ExpressLanes Department, Fleet Management, and other departments. We also reviewed and analyzed reports received from various departments, examined invoices, memos, and other supporting documents.

This audit covers Metro's non-revenue vehicles (NRVs) usage and records from July 1, 2021 to June 30, 2022. Based on Metro's accounting records, NRVs' totaled \$9.6 million as of June 30, 2022, net of accumulated depreciation of \$72.6 million.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

## **BACKGROUND**

Los Angeles County Metropolitan Transportation Agency (Metro) provides non-revenue passenger vehicles for employees' use to carry out Metro business. Non-revenue vehicles (NRVs) are assigned in pools at various Metro locations or assigned to an individual Metro employee.

As of June 30, 2022, Metro's non-revenue fleet consisted of 1,416 vehicles, which includes sedans, mini vans, sport utility vehicles, trucks, and full-size vans allocated to departmental pools, Company Equipment Assigned (CEA), General Services' pool and 24-hour assignments.

Metro's policy for Non-Revenue Passenger Vehicles (GEN 16) provides guidance to employees who use an NRV to carry out Metro business. The policy describes eligibility for vehicle assignments, reporting requirements for personal use, vehicle operation, use in ExpressLanes, reporting accidents, and traffic citations.

When Metro receives notification of ExpressLanes and traffic violations from their respective authority, they are reviewed and resolved by one of two departments, the Maintenance Administration or Fleet Management departments.

The Maintenance Administration (MA) Department, formerly called Non-Revenue Maintenance Department, receives all ExpressLanes violations issued to Metro. To properly assign responsibility for ExpressLanes violations, MA identifies the cost center based on the license number indicated on the ticket, and distributes them to the supervisor who identifies the driver responsible for payment of the violation. GEN 16 states, "*LACMTA funds may not be used for ExpressLanes tolls in the absence of a demonstrable business case.*" See Attachment A.

MA also receives notifications of all NRVs that were involved in accidents which are then sent to outside vendors/body shops for repair. This is in accordance with the provisions of the Collective Bargaining Agreement with ATU which requires subcontracting for "*Non-revenue body repair, radiator repair, upholstery, paint, and chassis work related to accident repairs.*"

The Fleet Management (FM) Department receives all traffic and parking citations for both revenue and non-revenue vehicles. FM identifies the cost center based on the license number indicated on the citation and forwards it to the supervisor together with instructions to satisfy the citations. The supervisor then identifies the driver responsible for payment of the citation. GEN 16 policy states that employees are personally responsible for all traffic and parking citations. *“LACMTA will not reimburse for traffic and parking citations.”*

## **RESULTS OF AUDIT**

The audit found the following 10 issues that warrant Metro management attention for improvement:

### **EXPRESSLANES**

#### **1. Tickets and Delinquent Notices for ExpressLanes Violations, Amounting to \$35,443 from January 2020 to November 2022 (35 Months), Remain Unpaid**

Metro ExpressLanes are managed lanes where toll prices are based on real-time traffic conditions and vary according to the level of congestion using dynamic pricing. Vehicles are required to pay a toll when using ExpressLanes and failure to make payment results in an ExpressLanes violation and ticket. Prior to the introduction of the new Pay as you Go in 2023, all vehicles riding in the ExpressLanes had to have an account, an email address, and a transponder.

According to Metro’s process, the Maintenance Administration (MA) Department, formerly called Non-Revenue Department, receives all tickets and delinquent notices for ExpressLanes violations. Based on the license number indicated on the ticket, the NR Supervisor searches for the vehicle unit number in the Maintenance and Materials Management (M3) system to determine the cost center and the director-in-charge. The NR Supervisor then prepares a spreadsheet for each cost center with information such as date and time of violation, toll fee and penalties, and then forwards the tickets and delinquent notices to the cost centers. The Senior Director of NR stated, *“By the number of violations [they received,], this is an abundance of work (in addition to other tasks) for one person.”*

GEN 16 states, *“Employees may not drive NRVs in ExpressLanes without a Fastrak transponder, unless the vehicle has been registered as an “Exempt “ vehicle with the Fastrak program. Exempt vehicles include: law enforcement and emergency vehicles; and service vehicles required to service/repair buses or rail cars, facilities or equipment located in ExpressLanes.”*

Use of Metro funds are not allowed for payment of ExpressLane tolls as stated in Section 1.4.1 of GEN 16. *“LACMTA funds may not be used for ExpressLanes tolls in the absence of a demonstrable business case. Such cases include: Reducing travel time as a convenience; or commuting between home and work. An employee driving an NRV in an ExpressLane without a legitimate business reason will be personally liable for any accumulated fees and tolls. A non-exempt Metro NRV will receive a ticket when it uses the ExpressLanes and does not have the Fastrak transponder.*

We obtained a list of unpaid tickets/delinquent notices issued to Metro NRVs as of November 30, 2022 from the ExpressLanes Department. The list showed 673 unpaid violations for a total of \$35,443 in toll, assessment fees and penalties, with violations dated as far back as January 2020 (over three years). Penalties are added when a ticket is not paid on time. The summary of unpaid violations is shown below:

Description	Amount
673 Toll Fees	\$ 1,012
Processing Fees	2,568
Past Due Penalties	13,293
Delinquent Penalties	18,570
<b>Total</b>	<b>\$ 35,443</b>

Below is an example of an unpaid ExpressLanes violation ticket:

Description	Amount
Toll Fee	\$ 0.30
Processing Fee	4.00
Past Due Penalty	21.00
Delinquent Penalty	30.00
<b>Total</b>	<b>\$ 55.30</b>

*Note: Processing fee and penalties are fixed, regardless of the amount of toll fee.*

The first ExpressLane violation notice includes the toll violation fee plus a \$4 processing fee for each trip. If the violation notice remains unpaid after 30 days, a second notice will include the toll, a \$4 processing fee and a \$21 past due penalty. If the second violation notice remains unpaid after 30 days, a third notice will be sent with an additional delinquent penalty of \$30.

Metro cost centers with the highest unpaid ExpressLanes violations are listed below, which account for \$20,725.80 or 58% of the total outstanding amount.

Cost Center	Number of Violations	Date of Violation	Amount
3209 – Transportation Division 9	78	Feb 2020 - Aug 2022	\$4,344.20
3218 – Transportation Division 18	83	Feb 2020 - Oct 2022	\$4,598.90
3367 – Facilities/Property Maintenance	122	Aug 2020 - Nov 2022	\$6,745.35
3925 – Wayside Systems Custodial	90	Mar 2020 - Sep 2022	\$5,037.35

We received the following explanations from the cost center managers:

**Cost Center 3209 – Transportation Division 9:** The current Director stated that he was assigned to Division 9 in September 2022 and all the violations occurred under the leadership of the former

Director. He added that he has taken some steps such as “*flyers are posted in all bus operating divisions to educate the drivers/operators regarding the use of ExpressLanes.*” We asked the former Director for his feedback but he did not provide an explanation.

**Cost Center 3218 – Transportation Division 18:** The current Director informed us that she was transferred to Division 18 in mid-September of 2022. Thus, all violations were incurred under the leadership of the former Director. She stated that she “*will not be familiar with any violations that occurred prior to then.*”

**Cost Center 3367 – Facilities/Property Maintenance:** The DEO, Facilities Maintenance explained that “*the cited vehicles were added to the Fastrak vehicle exempt list and some cited vehicles were already on the exempt list but cited in error. Those vehicles were addressed with Fastrak and will be overturned, if not already done.*” He stated that “*Citations occurred while employees were performing business related duties. Facilities Operations is responsible for all electro/mechanical duties, and housekeeping services that are performed at all J Line (Silver Line) stations. Housekeeping services are provided 24/7.*” He said that Directors and Managers work with their liaison, the Sr. Director, Facility Contract Maintenance and ExpressLanes to clear the citations.

The timing of when ExpressLanes was notified or agrees to consider the NRVs exempt plays a critical role in determining whether a violation occurred as a result of ExpressLanes not updating their records or Metro not informing them in a timely fashion. Each violation would need to be reviewed independently. The decision to “exempt” a Metro NRV is determined by ExpressLanes at the request of Metro department(s) using NRVs. The adjudication process is out of scope.

The DEO, Facilities Maintenance added that they are developing standard operating procedures (SOPs) to address ExpressLane violations for their department. The SOPs are “*to define the roles of all staff from the Department Head to frontline employees. Some procedures will include ensuring maintenance vehicles are listed on the exempt list and staff knowing which vehicles are available for Fastrak lane use.*”

**Cost Center 3925 – Wayside Systems Custodial:** The Assistant Manager stated “*there were some vehicles that were already registered as exempt and the citations should have been dismissed. However, they were not captured in the ExpressLanes system.*”

An ExpressLanes violation would not have been issued if a Metro NRV was designated as “exempt.” Division/Department Managers should apply for exemption proactively if qualified, not retroactively. NRV drivers cannot avoid responsibility for ExpressLanes violations and tickets by designating an exempt status to the NRV after the ticket is issued.

It is important to settle the tickets promptly to avoid late charges and penalties. Also, late payment of the tickets results in more work and time spent by the Maintenance Administration Department in handling the unpaid tickets and delinquent notices, which are forwarded to different cost centers.



### ***Recommendations for Issue 1***

#### Operations (Transportation Divisions and Facilities/Property Maintenance):

- Ensure that all ExpressLanes violation tickets are settled immediately to avoid additional fees and penalties.
- Continue to remind the drivers about the use of ExpressLanes policy, GEN-16.
- Continue to remind employees who drive NRVs in an ExpressLane without a legitimate business reason or a transponder will be personally liable for any accumulated fees and tolls, unless it is registered as an “Exempt” vehicle with the FasTrak program.
- Coordinate with Metro’s ExpressLanes Department to obtain vehicle exemptions, if qualified; and clear the citations for exempt vehicles.

#### Maintenance Administration:

- Coordinate with ExpressLanes Department and obtain a monthly list of unpaid violations to facilitate payment of the tickets.

## **2. ExpressLanes Violations Paid Through Metro’s Purchase Card**

Based on Metro’s Purchase Card (P-Card) policy, a P-Card cannot be used for the payment of an ExpressLanes violation; it is a restricted purchase payment. Tolls and fines incurred by an employee are the responsibility of the employee. However, we found six instances when a Metro P-Card was used to pay the delinquent ExpressLanes notices during Fiscal Year 2022 for a total amount of \$145.50.

We received the following explanations from three cost centers that paid the ExpressLanes tickets tolls and fines using a P-Card:

**Cost Center 5430 – Central Electronics Maintenance Shops:** The Approving Official stated that the Fastrak transponder was on the vehicle when the employee entered the ExpressLanes; however, the transponder was previously assigned to another vehicle. He added that “*the database was not updated to reflect the new vehicle.*” The total amount paid using a P-Card was \$10.60 for two tickets.

The ExpressLanes tickets could have been dismissed by providing the new vehicle assignment to the ExpressLanes Department. It was not permissible to use the P-Card for an unauthorized purpose.

**Cost Center 3947 – Rail Fleet Services Maintenance:** The Approving Official explained that Metro’s 12-passenger van that received the violation was loaned by Division 14 to Division 11, and was used to transport employees for training from Division 11 to Division 16. He stated, “*Driver in this case thought since he had multiple passengers in the van they could use the HOV*”



*lane, not knowing the van did not have a transponder.” He added that there are no transponders on non-revenue vehicles assigned to Division 14 since they have no need to travel on toll roads. He further said that “Utilizing the van to shuttle employees from one location to the other reduces the need to pay Overtime & Travel Time to the contract hourly employees, driver also felt he would not make it back to D11 due to traffic congestion. Although it is a \$15 violation, it is considerably cheaper than paying Overtime and Travel pay for 10 contracted employees.”*

This circumstance would likely qualify as a valid exception to Metro’s GEN 16 policy that states, “avoiding overtime pay that would exceed the toll” as one of the legitimate business reasons. However, the P-Card policy restricts them from using the P-Card to pay the ExpressLanes violation. The amount paid through P-Card for this single violation was \$15.30. The Approving Official said he did not notice the restriction in the P-Card policy. On February 22, 2023, the Approving Official did the ethical thing and reimbursed Metro for the said amount.

**Cost Center 3790 – Maintenance Administration:** The employee explained, “*I was driving South on the 110 in the far left lane nearest to the Express Lane and I was forced to the Express Lane to pass a stalled vehicle in the far left lane nearest to the Express Lane. Other cars also evaded in this manner. I returned to the far left lane after I cleared the stall.*” He added, “*Being unavoidable, this incident appears to be a “legitimate business reason”, as I did not continue in the fast track further than necessary.*” The amount of the delinquent notice paid through P-Card was \$57.45. The employee offered to reimburse Metro for this amount.

ExpressLane charges should be placed on the prohibited purchase list with the bank so that attempts to pay such charges are automatically declined.

Metro ExpressLanes does provide several methods to contest the ticket, in writing, by telephone and on the web site. The employee should have filed for a dismissal based on the temporary, emergency use of the ExpressLane.

There were two other violations paid by the MA Department for a total amount of \$62.15. The Approving Official stated that “*occasionally, it is a pool car and the user on that day cannot be determined so NR will pay for it.*”

Payments of these ExpressLane violations should be made by checks.

Identifying the driver of a pool vehicle could have been done with a vehicle usage log. In our prior audit report, Audit of Controls Over Metro Non-Revenue Vehicles – Phase I (Report No. 23-AUD-04) dated March 9, 2023, we recommended monitoring pool vehicle usage by using a vehicle usage log with all pertinent information such as the operator, destination, date, time, etc. The Operations Department agreed to implement the recommendation and informed us that they will modify the GEN 16 policy with anticipated approval not later than June 30, 2023.

We reminded the above employees that payment of ExpressLanes violation cannot be made through Metro’s P-Card. They stated that they would comply with the P-Card policy in the future.

## ***Recommendations for Issue 2***

Central Electronics Maintenance Shops

- Inform the ExpressLanes Department of new vehicles and reassignment of transponders, as they occur.
- Place ExpressLane payment on the prohibited purchases list with the bank so such payments are automatically declined.
- Remind the P-Cardholder and Approving Official to comply with the Purchase Card policy; (i.e. ExpressLanes violations cannot be paid through Metro's P-Card). Send them to training on P-Card use within 30 days.

Rail Fleet Services Maintenance

- Continue to remind NRV drivers not to use the ExpressLanes if there is no Fastrak transponder and no business necessity to use the ExpressLanes.
- Remind the P-Cardholder and Approving Official to comply with the Purchase Card policy; i.e. ExpressLanes violations cannot be paid through Metro's P-Card. Direct them to take P-Card training within 30 days.
- When an ExpressLanes violation ticket is received, and there is a legitimate business reason for using the ExpressLanes, make sure the ticket is paid for with an alternative method promptly. When there is no legitimate business reason, instruct the employee to pay the ticket.

Maintenance Administration:

- Ask the employee to reimburse Metro for the ExpressLane violation that was paid by using the P-card.
- Remind the P-Cardholder and Approving Official to comply with the Purchase Card policy; i.e. ExpressLanes violations cannot be paid through Metro's P-Card. Direct them to take P-Card training within 30 days.

**CITATIONS**

**3. Procedures in Resolving Citations Not Followed Properly**

Section 1.5.3 of GEN 16 states, "*Drivers of LACMTA vehicles must observe all vehicle, traffic and parking codes. Employees are personally responsible for all traffic and parking citations, and must immediately notify their supervisor of a citation upon return to their department or division. LACMTA will not reimburse for traffic and parking citations.*"

Metro's Operations Fleet Management Department receives all notices for traffic and parking violations issued by various vehicle code enforcement agencies for both revenue and non-revenue

vehicles. All citations are issued to Metro as the registered owner of the vehicles and lists the agency as the violator.

Upon receipt of the Notice of Violation (citation/ticket) and based on the license number, the Vehicle Verification Clerk (VVC) searches for the division responsible for the named vehicle in the Maintenance and Materials Management (M3) system and emails a copy of the citation/ticket to the Division Supervisor who identifies the driver of the vehicle at the time of the violation. The Director/Manager is instructed to complete the provided Affidavit of Non-Liability and return the same to the VVC who mails it to the court so the ticket issued to Metro can be dismissed and transferred to the driver who is responsible for payment.

We asked for the schedule of citations received in fiscal year 2022.

Based on the schedule prepared, there were fifty citations issued for both revenue and non-revenue vehicles during August 2022 through February 2023. Eight of the citations involved non-revenue vehicles, four of which were parking violations which were already paid at the time of the audit.

We noted the following in the audit of traffic violations:

- a. Metro received a citation dated September 16, 2022 for a traffic violation involving a Metro non-revenue vehicle driven by an employee of the Shared Mobility Department. The citation was issued for the driver's failure to stop at a red signal.

On February 28, 2023, the Warranty Processing Specialist (WPS) notified the employee's department and gave instructions to identify the driver and complete and return the Affidavit of Non-Liability so the citation can be transferred from Metro to the employee. However, the affidavit was not completed nor returned to the WPS; instead, on March 13, 2023, the employee paid \$490.00 (plus online processing fee of \$5.00) to settle the citation, while it was still in Metro's name.

- b. Metro received a citation dated September 29, 2022 for a traffic violation involving a Metro non-revenue vehicle driven by an employee in Facilities/Property Maintenance. The citation was issued for the driver's failure to stop at a red signal.

On February 1, 2023, the driver completed and signed the Affidavit of Non-Liability for Metro despite the Fleet Management Department's instruction that completion of the Affidavit should be done by his Supervisor or Manager.

While the Affidavit was completed, it was not supposed to be given to the employee. It is important that the Affidavit of Non-Liability be handled by the department manager and is submitted in order to transfer the responsibility and liability for the citation/ticket from Metro to the employee. The proper procedures were not followed, as directed. If the Affidavit is not properly completed and submitted, it may leave the agency holding the risk and leaving the appearance of responsibility with Metro since the ticket listed Metro as the violator.

There appears to be confusion in processing the Affidavit despite the detailed instructions given by the Fleet Management Department. GEN 16 policy states that employees are responsible for

“paying for all tickets incurred when violating applicable vehicular laws.” The citations we reviewed were all resolved by the employees; no Metro funds were used to pay the citations.

GEN 16 policy requires that employees “*must immediately notify their supervisor of a citation upon return to their department or division.*” We noted that there was no documentation whether the drivers immediately notified their supervisors. We asked the Division Managers if the drivers complied with this policy; however, no information was provided to us. While the drivers acknowledged their citations, there was no documentation or confirmation that the Division Supervisors were notified by employees. It appears that the supervisors only learned of the citation when they received an email from the Fleet Management Department. As an example, one supervisor only learned on February 28, 2023 of a citation dated August 24, 2022, six months later, when the Warranty Processing Specialist emailed him the Notice of Traffic Violation. An employee who receives a citation for a moving violation directly from a law enforcement officer would know of the citation immediately. NRV drivers may not immediately know of a photo enforced traffic violation that only goes directly to a vehicle owner, Metro.

### ***Recommendations for Issue 3***

#### Shared Mobility and Facilities/Property Maintenance

- Remind staff to comply with Metro’s GEN 16 policy - observe all vehicle, traffic and parking codes and that employees are responsible for all traffic and parking violations.
- Remind staff to follow the department instructions in resolving citations on NRVs.
- Remind staff driving Metro NRVs to notify their supervisors of citations upon return to the division or department according to policy, whenever applicable.

#### **4. No Standard Operating Procedures in Handling Citations**

We were provided with the list of procedures on handling citations which was drafted by the Vehicle Verification Clerk; however, no official standard operating procedures (SOPs) have been adopted. The Division Maintenance Superintendent stated that he was planning to prepare SOPs. He acknowledged their importance to the department functioning effectively in the absence of the staff-in-charge or when long-term employees with institutional knowledge depart from the Agency.

In our prior report, “Review of Metro Standard Operating Procedures (21-AUD-04) dated February 10, 2021, we recommended that departments develop SOPs for all positions. This will be helpful in succession planning and facilitate institutional knowledge capture and transfer.

### ***Recommendations for Issue 4***

Fleet Management Department

- Send traffic and parking citations to divisions in a timely manner with complete instructions; continue to prepare a schedule of citations with all the pertinent data and monitor action taken by the division and/or operator.
- Consider updating the provision on traffic and parking citations in GEN 16 policy to guide the employees accordingly.
- Issue a memo to remind NRV drivers about the policy on citations and the consequences for traffic and parking violations.
- Prepare and submit a report of citations to Division Managers quarterly, summarized by division, including responsible department, citation description, violation fee and current resolution status.
- Develop standard operating procedures (SOPs) to facilitate knowledge transfer and smooth transitions when staff depart from the agency.
- Maintain electronic records, documents, and information of citations centrally for authorized department users, allowing others access in the event of staff changes and/or extended absences of the staff.

**ACCIDENT-RELATED REPAIRS OF NRVs**

All non-revenue vehicles that were involved in accidents are brought to the Maintenance Administration (MA) Department. According to the Senior Director, Non-Revenue Fleet Maintenance, all repair work for non-revenue vehicles (NRV) involved in accidents should be subcontracted. This is in accordance with the provisions of the Collective Bargaining Agreement with ATU which requires subcontracting for *“Non-revenue body repair, radiator repair, upholstery, paint, and chassis work related to accident repairs. Maintenance and repair work regularly performed by the non-revenue unit will continue to be performed by the ATU and will include brake work (turning drums, rotors, and shoes), smog checks and wheel alignment.”*

The MA Department solicits bids from at least five outside vendors and grants the repair work to the lowest bidder. According to the Senior Director of MA Department, they require all vendors to be present at the designated time to maintain fairness and integrity. Payment to vendors/body shops is made through the use of the department’s Purchase Card (P-Card). Damaged non-revenue vehicles that require extensive repair and maintenance, or have been in major accidents (“totaled”) that render the units unfit for operation are sent to auction.

We obtained a list of NRVs involved in accidents for the fiscal year ended June 30, 2022. Out of 89 reported NRVs, we selected 25 vehicles for our audit samples. Our audit found the following issues:

## **5. Non-compliance with Purchase Card Policy**

The Metro P-Card policy states that *“The P-Card may not be used by anyone other than the person to whom it is issued. No one else may sign the credit card receipt or otherwise authorize a purchase, although other employees may receive purchases made with the card and sign other receiving documentation. The card may not be used as a “group or ghost” card. The Cardholder remains responsible for ensuring the material has been properly received before approving the monthly statement.”*

Our audit found that the P-Card holder, in several instances, gave the P-Card to other staff who picked up the non-revenue vehicles from the body shops. He stated that he was not aware that P-Card sharing is prohibited. We informed him that payments can only be made by the P-Cardholder in person, over the phone, or online.

The P-Cardholder should be reminded that he is the only authorized user and is responsible for the security of the P-Card. Sharing the P-Card with other employees poses a threat that it may be misused or unauthorized purchases may be made and is prohibited by the P-Card policy.

According to the P-Card policy, the Business Unit Coordinator (BUC) is responsible for *“overseeing the Cardholder and Approving Official’s compliance with the P-Card Program requirements and restrictions established within the Business Unit.”* The BUC should ensure the overall compliance of his/her Business Unit with the P-Card Policies and Procedures.

## **6. Insufficient Documentation for Purchase Card Payments**

We found that 6 of 25 audit samples we selected and examined were without invoices; only the preliminary estimates with no final invoices were attached to support the P-Card payments made for repairs of non-revenue vehicles.

The P-Cardholder explained that they have previously instructed the vendors/body shops to submit the final invoice, but he said that *“they don’t always comply.”*

Based on the P-Card Policies and Procedures, one of the responsibilities of the Business Unit Coordinator and the Approving Official is to ensure appropriate documentation of P-Card activities. The P-Cardholder should be reminded of this requirement and should be instructed not to make any payment unless all appropriate documents are received from the vendor, including a valid final and correct invoice.

## **7. Multiple Bids for NRV Repairs Were Not Obtained**

We noted four instances when there was no other bid aside from the vendor who performed the repair work. The P-Cardholder explained that they did not receive any other quotations at the time of bidding. He stated that the Equipment Maintenance Supervisor (EMS) approved the lowest bid and supplementary invoices.



The MA Department should ensure that all vendors are informed in a timely manner to enable all repair bidding vendors to come on the bidding date; this will enable the agency to get the best price.

#### **8. Invoice Amounts Higher Than Original Bids Received and Awarded**

We noted four NRV repair jobs in which the actual invoices paid were higher than the bids received when they were awarded. The P-Cardholder explained that the higher invoices were due to a difference in prices or additional repair work that was not included in the preliminary estimate which was the lowest bid at the time of bidding. He stated that the Equipment Maintenance Supervisor (EMS) approved the lowest bid and supplementary invoices.

We noted one instance when a supplementary invoice was submitted and paid by Metro for the NRV repair. This invoice turned out to have the highest repair cost, compared to the other four bids initially submitted,

The MA Department should ensure bids received during the bidding are complete and accurate to ensure that the selection of an NRV repair vendor is done in a fair manner and the agency gets the repair work done for a reasonable amount. All repair work should require additional approvals if they go over a not-to-exceed amount.

The bids should be reviewed by a person other than the EMS. The supplementary invoice should have a justification memo explaining the reason for any increase in unit price or overall cost and should also be approved by the Senior Director, not just the EMS.

#### **9. Incorrect Expense Account Was Used in Some Transactions**

We noted payments to vendors which were incorrectly charged to account number 50439 – Materials and Supplies – Non-Revenue Vehicle, instead of account number 50320 – Contract Services. Based on Metro’s Chart of Accounts, account number 50439 is used to record “*expenses for purchases of parts, supplies and other materials for the repair of non-revenue vehicles.*” However, this account pertains to in-house repairs and maintenance. Repairs done by outside vendors should be recorded as Contract Services.

Pursuant to P-Card Policies and Procedures, the Approving Official should ensure that “*all charges are appropriate, and charged to the proper account, cost center, project, and task number.*”

It is important to record the transactions correctly to facilitate review and monitoring of accident-related repairs. While it is easy to make such an error, if a person is charging to accounts regularly for a particular service, they should be aware of the correct account. This could be covered in the department standard operating procedures when they are completed.



## **10. No Standard Operating Procedures for Accident-Related Repairs of Non-Revenue Vehicles**

The MA Department has internal procedures on how to handle accident-related repairs of non-revenue vehicles. However, there are no standard operating procedures, other than the provision in GEN 16 policy.

It will be helpful if the MA Department develops written policies, procedures, and forms that include: receipt of non-revenue vehicles for repair, obtaining and approving bids, inspecting vehicles after repair, release to the end users, the correct account code for different types of repairs, no P-Card sharing, a rotation of who awards repair work and who reviews invoices, and other pertinent processes.

### ***Recommendations for Issues 5 through 10***

#### Maintenance Administration

- Remind the P-Card holder that the P-Card may not be used by anyone other than the person to whom it is issued.
- Require P-Card holder to obtain complete and appropriate documentation prior to payment.
- Inform NRV repair vendors/bidders of the bidding date in a timely manner and obtain confirmation of their attendance in an effort to obtain more than one bid for NRV repair work. Ensure notices of bidding are sent to several eligible vendors.
- Document and specify the reason for vendor selection, especially if it is not the lowest bid (e.g., other bids which are lower are not complete, list the areas that were not included in the bid, etc.). Rotate contract/task awarding staff and have two persons review all awards.
- Ensure that the winning bid is complete and accurate to avoid a supplementary invoice which may result in paying an amount higher than the other bids previously received.
- Verify accuracy and completeness of invoices (e.g., breakdown of parts and materials) before making the payment.
- In addition to initial and supplementary invoice approval by the Equipment Maintenance Supervisor, obtain written approval from another manager to countersign for the MA Department when awarding NRV repair work to ensure checks and balances exist.
- Identify and monitor that the correct expense account is used for accident-related repairs to ensure that transactions are recorded correctly.

- Prepare and submit a monthly report of repair costs (with information on vendor, number of bids received, and other pertinent information) to the Senior Executive Officer, Maintenance to identify and analyze repair cost trends.

## **CONCLUSION**

Operations Maintenance Administration, formerly called Non-Revenue Department, has implemented procedures in handling ExpressLanes violations and implemented some controls on accident-related repairs of non-revenue vehicles (NRVs). The Fleet Management Department has also drafted procedures in handling traffic citations. However, we found some issues that warrant Metro management attention to improve controls over NRVs.

The audit found some occasions when staff did not comply with the ExpressLanes usage policy because of oversight or unfamiliarity with Metro's GEN 16 and Purchase Card policies. There was also a number of ExpressLanes tickets and delinquent notices which remained unresolved or unpaid for a long time.

We noted two instances where the use of an affidavit to transfer responsibility to pay citations for traffic tickets from Metro to the offending employee was not carried out properly.

For repairs of NRVs involved in accidents, processes and controls can be improved in the areas of vendor selection and documentation. This is important to ensure that Metro obtains the most qualified vendor with the most reasonable repair cost.

The audit also found that Maintenance Administration and Fleet Management have not yet developed standard operating procedures (SOPs) that will serve as instructions for employee work processes and help achieve efficient operations for their departments. We reiterate our recommendation in our prior audit report, "Review of Metro Standard Operating Procedures (21-AUD-04) dated February 10, 2021, that departments develop SOPs for all positions. This will be helpful in succession planning and facilitate institutional knowledge capture and transfer.

Maintenance Administration and Fleet Management should closely coordinate with ExpressLanes and other departments to clear all violations/citations in a timely manner; thus, reducing charges for outstanding citations. The Department Heads should remind their staff to comply with agency policies and procedures and review their respective department's processes for efficient and effective implementation.

## **SUMMARY OF RECOMMENDATIONS**

The following is the summary of our recommendations:

### Transportation Divisions and Facilities/Property Maintenance

1. Ensure that all ExpressLanes violation tickets are settled immediately to avoid additional fees and penalties.
2. Continue to remind the drivers about the use of ExpressLanes policy, GEN-16.
3. Continue to remind employees, who drive NRVs in an ExpressLane without a legitimate business reason or a transponder, are personally liable for any accumulated fees and tolls, unless it is registered as an “Exempt” vehicle with the FasTrak program.
4. Coordinate with Metro ExpressLanes Department to obtain vehicle exemptions, if qualified; and clear the citations for exempt vehicles.

### Central Electronics Maintenance Shops

5. Inform the ExpressLanes Department of new vehicles and reassignment of transponders, as they occur.
6. Place payments for ExpressLanes violations on the prohibited purchases list with the bank so such payments are automatically declined.
7. Remind the P-Cardholder and Approving Officials to comply with the Purchase Card policy; (i.e. ExpressLanes violations cannot be paid through Metro’s P-Card). Send them to training on P-Card use within 30 days.

### Rail Fleet Services Maintenance

8. Continue to remind NRV drivers that ExpressLanes are to be used only if the vehicle has a Fastrack transponder or there is a demonstrable business case.
9. Remind the P-Cardholder and Approving Official to comply with the Purchase Card policy; (i.e. ExpressLanes violations cannot be paid through Metro’s P-Card). Direct them to take P-Card training within 30 days.
10. When an ExpressLanes violation ticket is received, and there is a legitimate business reason for using the ExpressLanes, make sure the ticket is paid for with an alternative method promptly. When there is no legitimate business reason, instruct the employee to pay the ticket.

Shared Mobility and Facilities/Property Maintenance

11. Remind staff to comply with Metro's GEN 16 policy - observe all vehicle, traffic and parking codes and that employees are responsible for all traffic and parking violations.
12. Remind staff to follow the department instructions in resolving citations on NRVs.
13. Remind staff driving Metro NRVs to notify their supervisors of citations upon return to the division or department according to policy, whenever applicable.

Fleet Management

14. Send traffic and parking citations to divisions in a timely manner with complete instructions; continue to prepare a schedule of citations with all the pertinent data and monitor action taken by the division and/or operator.
15. Consider updating the provision on traffic and parking citations in Metro's GEN 16 policy to guide the employees accordingly. Add the requirement of completing the Affidavit of Non-Liability and other procedures concerning citations.
16. Issue a memo to remind NRV drivers about the policy on citations and the consequences for traffic and parking violations.
17. Prepare and submit a report of citations to Division Managers quarterly, summarized by division, including responsible department, citation description, violation fee and current resolution status.
18. Develop standard operating procedures (SOPs) to facilitate knowledge transfer and smooth transitions when staff depart from the agency.
19. Maintain electronic records, documents, and information of citations centrally for authorized department users, allowing others access in the event of staff changes and/or extended absences of staff.

Maintenance Administration

20. Coordinate with Metro ExpressLanes Department and obtain a monthly list of unpaid violations to facilitate payment of the tickets.
21. Ask the employee to reimburse Metro for the ExpressLane violation that was paid by using the P-Card.
22. Remind the P-Cardholder and Approving Officials to comply with the Purchase Card policy; (i.e. ExpressLanes violations cannot be paid through Metro's P-Card). Direct them to take P-Card training within 30 days.

23. Remind the P-Cardholder that the P-Card may not be used by anyone other than the person to whom it is issued.
24. Require P-Cardholder to obtain complete and appropriate documentation prior to payment.
25. Inform NRV repair vendors/bidders of the bidding date in a timely manner and obtain confirmation of their attendance in an effort to obtain more than one bid for NRV repair work. Ensure notices of bidding are sent to several eligible vendors.
26. Document and specify the reason for vendor selection, especially if it is not the lowest bid (e.g., other bids which are lower are not complete, list the areas that were not included in the bid, etc.). Rotate contract/task awarding staff and have two people review all awards.
27. Ensure that the winning bid is complete and accurate to avoid a supplementary invoice which may result in paying an amount higher than the other bids previously received.
28. Verify accuracy and completeness of invoices (e.g., breakdown of parts and materials) before making the payment.
29. In addition to initial and supplementary invoice approval by the Equipment Maintenance Supervisor, obtain written approval from another manager of the MA Department when awarding NRV repair work to ensure checks and balances exist.
30. Identify and monitor that the correct expense account is used for accident-related repairs to ensure that transactions are recorded correctly.
31. Prepare and submit a monthly report of repair costs (with information on vendor, number of bids received, and other pertinent information) to the Senior Executive Officer, Maintenance to identify and analyze repair cost trends.

## **MANAGEMENT COMMENTS TO RECOMMENDATIONS**

On April 20, 2023, we provided Metro Management a draft report. By May 5, 2023, Metro Management had submitted their responses summarizing their corrective actions as shown in Attachment B.

## **OIG EVALUATION OF MANAGEMENT RESPONSE**

Metro Management's responses and corrective actions taken are responsive to the findings and recommendations in the report. Therefore, we consider all issues related to the recommendations resolved and closed based on the corrective actions taken.

# Non-Revenue Passenger Vehicles Policy (GEN 16)



Los Angeles County  
Metropolitan Transportation Authority

## Metro

### GENERAL MANAGEMENT Non-Revenue Passenger Vehicles

(GEN 16)

#### POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (LACMTA) strongly encourages employees to use public transportation. Where the use of public transportation service is impractical, LACMTA may provide non-revenue passenger vehicles (NRVs) for employees' use to carry out LACMTA business. NRVs will be assigned in pools at various locations or assigned to an individual employee for LACMTA business.

**Unauthorized, improper or illegal use of an LACMTA NRV is a serious offense and may result in disciplinary action, up to and including loss of access to NRV use and termination.**

#### PURPOSE

This policy provides guidelines when LACMTA employees use a NRV to conduct LACMTA business.

#### APPLICATION

This policy applies to all LACMTA employees who use NRVs.

  
APPROVED: County Counsel or N/A

  
Department Head

  
ADOPTED: CEO

Effective Date: 10/16/20

Date of Last Review: \_\_\_\_\_




# Management Comments to Draft Report



**Metro**

## Interoffice Memo

<b>Date</b>	May 4, 2023
<b>To</b>	Karen Gorman Inspector General
<b>From</b>	Conan Cheung Chief Operations Officer 
<b>Subject</b>	Management Response to Draft Report on Controls Over Metro's Non-Revenue Vehicles – Phase II; Audit Report No. 23-AUD-05

Operations Management reviewed the Draft Report on Controls Over Metro's Non-Revenue Vehicles – Phase II; Audit Report No. 23-AUD-05. Operations will update and monitor policies and procedures to comply with the recommendations outlined in the draft report for departments within Operations and partner with other Metro Departments in support of their efforts to address the recommendations to improve processes relative to Express Lanes violations, Purchase Card usage and documentation, handling and reporting accident repairs related to non-revenue vehicles. The following identifies actions to be taken by Operations Central Electronics Maintenance Shops, Fleet Management, and Maintenance Administration to comply with the recommendations from the audit:

### Operations (Transportation Divisions and Facilities/Property Maintenance)

#### Recommendation # 1

Ensure that all ExpressLanes violation tickets are settled immediately to avoid additional fees and penalties.

**Management Response:** Agree; Employees will be notified immediately upon receipt of the violation and will be required to present proof of payment. Violations of the ExpressLanes procedures will result in disciplinary action.

**Completion Date:** June 19, 2023

#### Recommendation # 2

Continue to remind the drivers about the use of ExpressLanes policy, GEN-16.

**Management Response:** Agree; Current and new division employees will be required to sign Receipt, Acknowledgement and Affirmation-GEN-16 Policy

**Completion Date:** Ongoing



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### **Recommendation # 3**

Continue to remind employees who drive NRVs in an ExpressLane without a legitimate business reason or a transponder will be personally liable for any accumulated fees and tolls, unless it is registered as an “Exempt” vehicle with the FasTrak program.

**Management Response:** Agree; Operation General Notice #12-079 Metro Expresslanes will be revised and distributed to all Operations Departments.

**Completion Date:** May 15, 2023

### **Recommendation # 4**

Coordinate with Metro’s ExpressLanes Department to obtain vehicle exemptions, if qualified; and clear the citations for exempt vehicles.

**Management Response:** Agree; Received list of citations from Metro’s ExpressLanes Department and currently reviewing exempt vehicles to clear citations.

**Completion Date:** July 3, 2023

### **Operations (Central Electronics Maintenance Shops)**

#### **Recommendation # 5**

Inform the Express Lanes Department of new vehicles and reassignment of transponders, as they occur.

**Management Response:** Agree; Central Electronics Maintenance management will advise Express Lanes staff when any transponder reassignments are made in the department.

**Completion Date:** Complete and ongoing

#### **Recommendation # 6**

Place Express Lane payment on the prohibited purchases list with the bank so such payments are automatically declined.

**Management Response:** Agree; Maintenance Administration will ask the P-Card Administrator to contact U.S. Bank and have Express Lanes payments placed on the list of prohibited purchases so they are automatically declined.

**Completion Date:** June 1, 2023

#### **Recommendation # 7**

Remind the P-Cardholder and Approving Officials to comply with the Purchase Card policy; (i.e. Express Lanes violations cannot be paid through Metro’s P-Card). Send them to training on P-Card use within 30 days.

**Management Response:** Agree; Maintenance Administration will ask the P-Card Administrator to add a specific reminder with annual Purchase Card renewal training that payment of Express Lanes

## Management Comments to Draft Report

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violations is strictly prohibited. Any employee identified within Maintenance using a P-Card for Express Lanes violation payment will be sent to training within 30 days of notice.

**Completion Date:** June 1, 2023

### Operations (Rail Fleet Services Maintenance)

#### Recommendation # 8

Continue to remind NRV drivers not to use the ExpressLanes if there is no Fastrak transponder and no business necessities to use the ExpressLanes.

**Management Response:** Agree; Sent an email reminder to RFS Management and will also discuss this at Rail Fleet Services (RFS) Staff meeting.

**Completion Date:** May 19, 2023

#### Recommendation # 9

Remind the P-Cardholder and Approving Official to comply with the Purchase Card policy; (i.e. ExpressLanes violations cannot be paid through Metro's P-Card). Direct them to take PCard training within 30 days.

**Management Response:** Agree; Sent an email reminder to Rail Fleet Services (RFS) Management and will also discuss this with personnel.

**Completion Date:** May 31, 2023

#### Recommendation # 10

When an ExpressLanes violation ticket is received, and there is a legitimate business reason for using the ExpressLanes, make sure the ticket is paid for with an alternative method promptly. When there is no legitimate business reason, instruct the employee to pay the ticket.

**Management Response:** Agree; Sent an email reminder to Rail Fleet Services (RFS) to discuss this with personnel.

**Completion Date:** May 31, 2023

### Operations (Shared Mobility and Facilities/Property Maintenance)

#### Recommendation # 11

Remind staff to comply with Metro's GEN 16 policy - observe all vehicle, traffic and parking codes and that employees are responsible for all traffic and parking violations.

**Management Response:** Agree; Operations staff will be reminded of Metro's Gen 16 policy - observe all vehicle, traffic and parking codes and that employees are responsible for all traffic and parking violations.

**Completion Date:** June 30, 2023

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### Recommendation # 12

Remind staff to follow the department instructions in resolving citations on NRVs.

**Management Response:** Agree; Operations staff will be reminded of the instructions in resolving citations on NRVs.

**Completion Date:** June 30, 2023

### Recommendation # 13

Remind staff driving Metro NRVs to notify their supervisors of citations upon return to the division or department according to policy, whenever applicable.

**Management Response:** Agree, Operations staff will be reminded that when driving NRVs, to notify their supervisors of citations upon return to the division or department.

**Completion Date:** June 30, 2023

### Operations (Fleet Management)

#### Recommendation # 14

Send traffic and parking citations to divisions in a timely manner with complete instructions; continue to prepare a schedule of citations with all the pertinent data and monitor action taken by the division and/or operator.

**Management Response:** Agree; Fleet Management will continue to send parking citations to divisions in a timely manner with complete instructions; and continue to prepare a schedule of citations with all the pertinent data and monitor action taken by the division and/or operator.

**Completion Date:**      **Completed and ongoing**

#### Recommendation # 15

Consider updating the provision on traffic and parking citations in GEN 16 policy to guide the employees accordingly. Add the requirement of completing the Affidavit of Non-Liability and other procedures concerning citations. (update page 10)

**Management Response:** Agree; Fleet Management will recommend updating the provision on traffic and parking citations in GEN 16 policy to guide management and employees on the payment of citations and include language regarding the requirement for completing the Affidavit of Non-Liability and other procedures concerning citations.

**Completion Date:**      **July 1, 2023**

#### Recommendation # 16

Issue a memo to remind NRV drivers about the policy on citations and the consequences for traffic and parking violations.



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**Management Response:** Agree; Fleet Management will develop a memo for the Chief Operating Officer to remind NRV drivers about the policy on citations and the consequences for traffic and parking violations. Bus Maintenance will also issue a memo for Bus Maintenance employees to remind them about the policy on citations and the consequences for traffic and parking violations.

**Completion Date:** June 1, 2023

**Recommendation # 17**

Prepare and submit a report of citations to Division Managers quarterly, summarized by division, including responsible department, citation description, violation fee and current resolution status.

**Management Response:** Agree; Fleet Management will request an electronic download of Express Lanes citations, responsible departments, and the status of the citations. Fleet Management will prepare a report of citations to Division Managers quarterly, summarized by division, including responsible department, citation description, violation fee and current resolution status.

**Completion Date:** Q1 of FY24

**Recommendation # 18**

Develop standard operating procedures (SOPs) to facilitate knowledge transfer and smooth transitions when staff depart from the agency.

**Management Response:** Agree; Fleet Management will update standard operating procedures (SOPs) to facilitate knowledge transfer and smooth transitions when staff depart from the agency.

**Completion Date:** July 1, 2023

**Recommendation # 19**

Maintain electronic records, documents, and information of citations centrally for authorized department users, allowing others access in the event of staff changes and/or extended absences of staff.

**Management Response:** Agree; Fleet Management will relocate and continue to maintain records, documents, and information of citations on a Metro share drive to allow authorized department users access and allow knowledge transfer in the event of staff changes and/or extended absences of staff.

**Completion Date:** July 1, 2023

**Operations (Maintenance Administration)**

**Recommendation # 20**

Coordinate with Metro's Express Lanes Department and obtain a monthly list of unpaid violations to facilitate payment of the tickets.

**Management Response:** Agree; Maintenance Administration will work with Express Lanes Department to identify unpaid violations and facilitate payment of the tickets by either the Express Lanes Department identifying the driver of the vehicle and sending out the notice directly to the driver

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or by Maintenance Administration obtaining a monthly list of unpaid violations to facilitate payment of the tickets.

**Completion Date:** July 1, 2023

**Recommendation # 21**

Ask the employee to reimburse Metro for the Express Lane violation that was paid by using the P-Card.

**Management Response:** Agree; employee has agreed to reimburse Metro for Express Lane Violation.

**Completion Date:** June 1, 2023

**Recommendation # 22**

Remind the P-Cardholder and Approving Officials to comply with the Purchase Card policy; (i.e. Express Lanes violations cannot be paid through Metro's P-Card). Direct them to take P-Card training within 30 days.

**Management Response:** Agree; Maintenance Administration will remind the P-Cardholder and Approving Officials to comply with the Purchase Card policy. Employees who violate the provisions of the policy will be directed to take P-Card training within 30 days.

**Completion Date:** June 1, 2023

**Recommendation # 23**

Remind the P-Cardholder that the P-Card may not be used by anyone other than the person to whom it is issued.

**Management Response:** Agree; Maintenance Administration will remind P-Cardholders that the P-Card may not be used by anyone other than the person to whom it is issued.

**Completion Date:** Completed

**Recommendation # 24**

Require P-Cardholder to obtain complete and appropriate documentation prior to payment.

**Management Response:** Agree; Maintenance Administration's P-Card Approving Official will require all P-Card holders to obtain the required documentation prior to making payments.

**Completion Date:** Completed

**Recommendation # 25**

Inform NRV repair vendors/bidders of the bidding date in a timely manner and obtain confirmation of their attendance in an effort to obtain more than one bid for NRV repair work. Ensure notices of bidding are sent to several eligible vendors.

**Management Response:** Agree; Maintenance Administration will continue to inform NRV repair vendors/bidders of the bidding date in a timely manner and obtain confirmation of their attendance in an effort to obtain multiple bids for NRV repair work and will also ensure notices of bidding will continue to be sent to several eligible vendors.

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**Completion Date:**      **Completed**

**Recommendation # 26**

Document and specify the reason for vendor selection, especially if it is not the lowest bid (e.g., other bids which are lower are not complete, list the areas that were not included in the bid, etc.). Rotate contract/task awarding staff and have two persons review all awards.

**Management Response:** Agree; Maintenance Administration will document and specify the reason for vendor selection, especially if it is not the lowest bid (e.g., other bids which are lower are not complete, list the areas that were not included in the bid, etc.). Maintenance Administration will attempt to rotate contract/task awarding staff when adequate staffing levels are available, and will always have two persons review all awards.

**Completion Date:**      **July 1, 2023**

**Recommendation # 27**

Ensure that the winning bid is complete and accurate to avoid a supplementary invoice which may result in paying an amount higher than the other bids previously received.

**Management Response:** Agree; Maintenance Administration will ensure that the winning bid is complete and accurate to avoid a supplementary invoice which may result in paying an amount higher than the other bids previously received. Maintenance Administration will work with Procurement to disqualify for 6 months any bidder/vendor submitting a supplemental estimate of 10% or more variance in excess of their initial bid twice in a 6 month period.

**Completion Date:**      **July 1, 2023**

**Recommendation # 28**

Verify accuracy and completeness of invoices (e.g., breakdown of parts and materials) before making the payment.

**Management Response:** Agree; Maintenance Administration will verify the accuracy and completeness of invoices (e.g., breakdown of parts and materials) before making the payment.

**Completion Date:**      **July 1, 2023**

**Recommendation # 29**

In addition to initial and supplementary invoice approval by the Equipment Maintenance Supervisor, obtain written approval from another manager of the MA Department when awarding NRV repair work to ensure checks and balances exist.

**Management Response:** Agree; Maintenance Administration will obtain written approval from another manager to countersign for the Maintenance Administration Department when awarding NRV repair work to ensure checks and balances exist.

**Completion Date:**      **July 1, 2023**

**Recommendation # 30**

Identify and monitor that the correct expense account is used for accident-related repairs to



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ensure that transactions are recorded correctly.

**Management Response:** Agree; Maintenance Administration will identify and monitor that the correct expense account is used for accident related repairs to ensure that transactions are recorded correctly.

**Completion Date:** June 1, 2023

**Recommendation # 31**

Prepare and submit a monthly report of repair costs (with information on vendor, number of bids received, and other pertinent information) to the Senior Executive Officer, Maintenance to identify and analyze repair cost trends.

**Management Response:** Agree; Maintenance Administration will also prepare and submit a quarterly report of repair costs (with information on vendor, number of bids received, and other pertinent information) to the Senior Executive Officer, Maintenance to identify and analyze repair cost trends.

**Completion Date:** July 1, 2023

CC: Diane Corral-Lopez  
James Pachan  
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