

MANAGEMENT AUDIT SERVICES

FY 2026 Third Quarter Report



Finance, Budget and Audit Committee
May 21, 2026

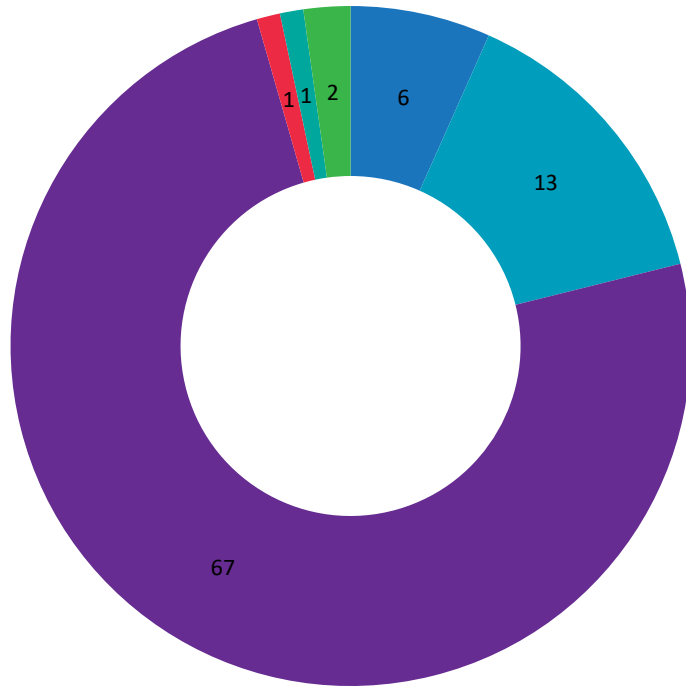
Kimberly Houston, Deputy Chief Auditor
Lauren Choi, Sr. Director, Audit
Alfred Rodas, Sr. Director, Audit



Metro[®]

In Progress: MAS Audit Activity by Area

Agency Representation

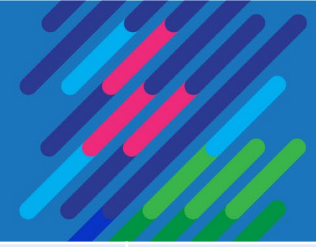


- Operations
- Program Management
- Planning and Development
- Deputy Chief Executive Officer
- Strategic Financial Planning Management
- Department of Public Safety

10 Performance audits in progress

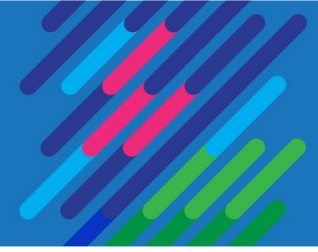
80 Contract, Financial, and Compliance Audits in progress

In Progress: Performance Audits



No.	Project Title	Area	Description	Estimated Date of Completion
1	Project Grant Funding	Planning and Development	Assess whether Metro is adequately allocating its resources to maximize funding identified and received.	FY26 Q4
2	Purple (D-Line) Extension 1 (PDLE1)	Program Management	Evaluate the state of processes and planning for final-year activities (testing, certification, training, activation) of PDLE1 transit project prior to start of revenue operations.	FY26 Q4
3	Safety Response to Reported Incidents	Chief Safety Office	Evaluate whether existing policies and procedures are adequate to ensure timely decision-making and effective deployment of resources in response to safety-related service requests from employees and the public.	FY26 Q4
4	Division 20 Portal Widening Turnback Facility	Program Management	Evaluate Metro's project management processes for the Project to date, including managing and mitigating project risks.	FY26 Q4
5	Physical Security Monitoring Equipment	Chief Safety Office	Assess the adequacy of policies and procedures regarding video monitoring equipment at the agency.	FY27 Q1
6	Measure M Subregional Program (MSP)	Planning and Development	Evaluate the effectiveness, implementation performance, and subregional project progress to ensure MSP is maximizing the program's capacity and adhering to project schedule(s).	FY27 Q1
7	Real Estate Condition and Utilization	Planning and Development	Determine if Metro has a comprehensive inventory of its real estate and if its system accurately describes and monitors the current utilization of properties.	FY27 Q1
8	Non-revenue Vehicles	Operations	Assess the availability and readiness of the non-revenue vehicle fleet for operational deployment and use.	FY27 Q1
9	Wayside Track Maintenance	Operations	Evaluate how Metro ensures that track maintenance complies with FTA State-of-Good-Repair requirements.	FY27 Q1
10	Bus Division Operations Efficiencies	Operations	Examine Metro's Bus Divisions' administrative operations and explore ways to build efficiencies into processes and utilize technology, including AI, to accomplish goals.	FY27 Q3

Completed: Gold Line Extension Phase 2B1



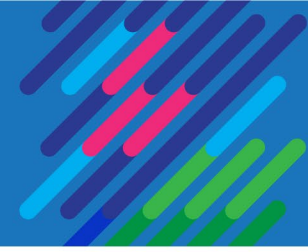
Objective

To evaluate Metro's oversight of the Metro Gold Line Foothill Extension Construction Authority's (the Authority's) project management of the Gold Line Extension Phase 2B1 Project, and Metro Operations' planning and execution of final year processes leading to revenue service. The scope covered the period from September 1, 2024 through May 30, 2025.

Audit Results

The audit found that Metro's oversight of the final year processes for revenue service and of the Authority's project management over Phase 2B1 was effective. There were, however, inconsistencies between certain information in the project cost reports prepared by the Authority and by Metro. The audit also noted that approved funding for Phase 2B1 exceeds the approved Phase 2B LOP budget by \$125 million. MAS provided management with five recommendations and will follow up to ensure implementation.

Completed: Small Business Enterprise (SBE) Certification Processes



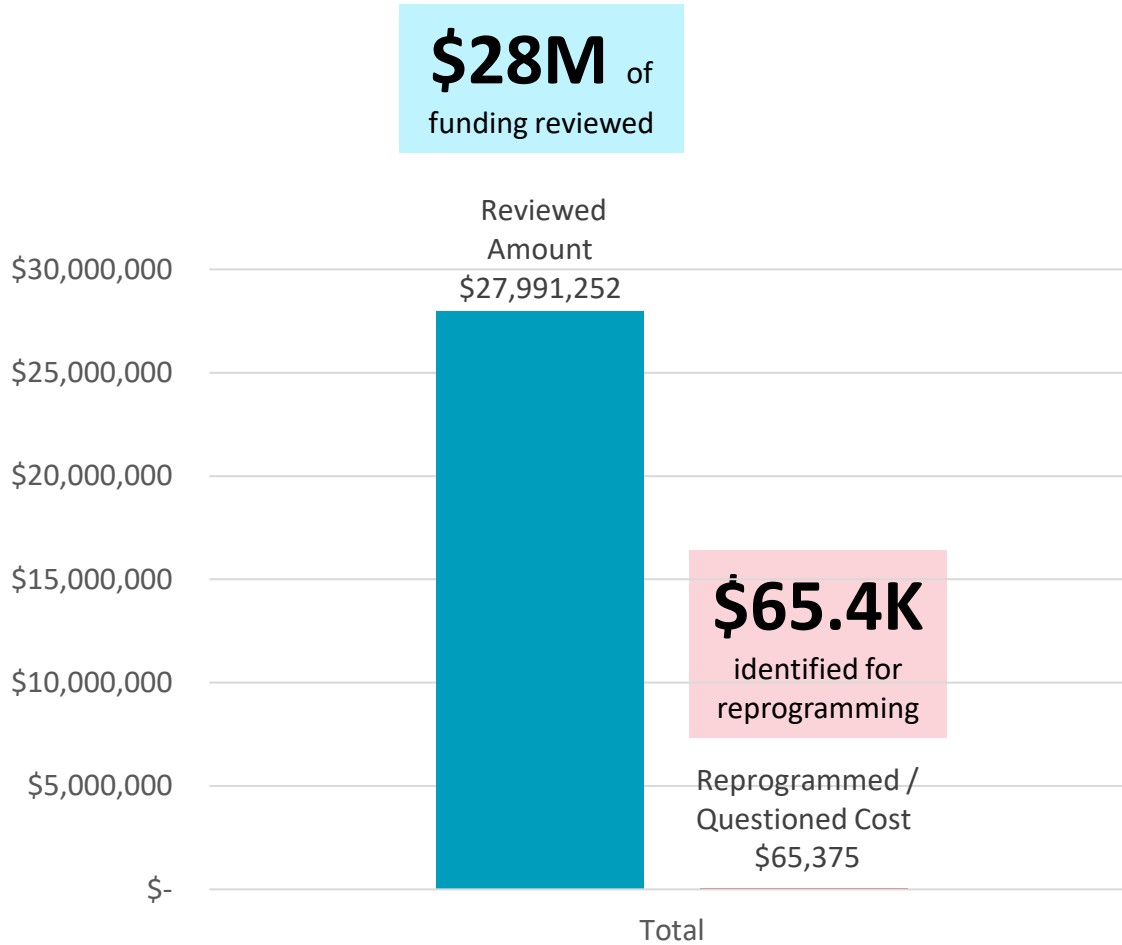
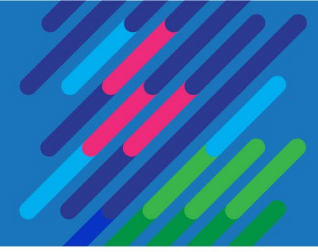
Objective

The objective of this audit was to assess whether the Diversity and Economic Opportunity Department's (DEOD's) certification procedures are effective in identifying and confirming eligible businesses, evaluate whether DEOD adheres to relevant laws, regulations, and policies and procedures, and determine whether DEOD has mechanisms in place to track performance, resolve issues, and improve procedures over time.

Audit Results

Overall, MAS found that DEOD's certification programs are effective and are generally in compliance with applicable requirements. DEOD has taken steps to support ongoing improvements and to assist applicants throughout the certification process. However, a few exceptions were noted during the audit, and there are opportunities to further increase applicants' access to necessary assistance. MAS provided management with two recommendations and will follow up to ensure implementation.

Completed: Contract, Financial & Compliance Audits



8 audit reports issued in Q3

Thank you!



Metro[®]

