

## FY26 Proposed Annual Audit Plan

**Priority Projects****Bus Division Operation Efficiencies**

Office: Operations

Objective: Examine Metro's Bus Division administrative operations and explore ways to build efficiencies into processes and utilize technology, including AI, to accomplish goals.

**Non-Revenue Vehicle Reserve Readiness**

Office: Operations

Objective: Assess the availability and readiness of the non-revenue vehicle fleet for operational deployment and use.

**Wayside Track Maintenance**

Office: Operations

Objective: Evaluate how Metro ensures that track maintenance complies with FTA State-of-Good-Repair requirements.

**Real Estate Condition and Utilization**

Office: Planning and Development

Objective: Determine if Metro has a comprehensive inventory of its real estate and if its system accurately describes and monitors the current utilization of properties.

**Measure M Subregional Program (MSP) Performance**

Office: Planning and Development

Objective: Evaluate the effectiveness, implementation performance, and subregional project progress to ensure MSP or similar grants are maximizing the program's capacity and adhering to project schedule(s).

### **Discretionary Projects**

#### **Alternative Delivery**

Office: Program Management

Objective: Review and evaluate active projects for adherence to the Alternative Project Delivery Manual.

#### **Revenue Bus Reserve Readiness**

Office: Operations

Objective: Assess the availability and readiness of the bus fleet to support projected peak passenger demand during future major events.

#### **ADA Improvement Projects**

Office: Planning and Development/Chief of Staff

Objective: Examine the methodology used to identify and prioritize Metro locations in need of ADA improvement projects that must be completed in advance of major events.

## **Carryover Projects**

### **Division 20 Portal Widening Project**

Office: Program Management/Operations

Objective: Evaluate the overall project management processes for the Division 20 Portal Widening project.

### **Gold (L) Line Extension**

Office: Program Management/Operations

Objective: Assess the oversight of Program Management and Operations over the Foothill Gold Line Construction Authority's construction efforts and review preparations for operations upon the opening of the Pomona station.

### **Safety Incident Response**

Office: Chief Safety Office/Customer Experience Office

Objective: Assess the sufficiency of policies and procedures for prompt decision making and dispatch of resources to safety-related service requests from employees and the public.

### **Small Business Enterprise (SBE)/ Disadvantaged Business Enterprise (DBE) Certification Process**

Office: Deputy Chief Executive Officer

Objective: Evaluate if DEOD's SBE/DBE certification procedures effectively identify eligible businesses and comply with relevant laws, regulations, and policies.

### **Physical Security Monitoring Equipment**

Office: Operations/Chief People Office

Objective: Assess the adequacy of policies and procedures related to video monitoring equipment at the agency.

## **Carryover Projects**

### **Employee Health Care Benefits**

Office: Chief People Office

Objective: Verify that all active eligible recipients, excluding represented employees and retirees, receiving Metro's health and dental coverage are receiving benefits from their selected providers and that elected coverage corresponds with payroll deductions.

### **Grant Funding Process**

Office: Planning and Development

Objective: Assess whether Metro is adequately allocating its resources to maximize funding identified and received.

### **Information Technology Governance**

Office: Chief People Office/Agency-Wide

Objective: Assess Metro's IT governance effectiveness, including evaluating whether established practices are followed and functioning as intended and the adequacy of the information technology Continuity of Operations Plan.

### **Employee Pension Benefits**

Office: Chief People Office/Strategic Financial Management

Objective: Verify the accuracy of pension payroll deductions and contributions for all active, eligible employees whose pension benefits are covered by the Public Employees' Pension Reform Act (PEPRA).

### **Purple (D-Line) Extension 1 (PDLE1)**

Office: Program Management/Operations

Objective: Evaluate the state of processes and planning for final year activities (testing, certification, training, activation) of PDLE1 transit project prior to the start of revenue operations.

## Carryover Projects

### East Side Access Improvement Project

Office: Program Management/Customer Experience

Objective: Assess whether the usage of EAIP funds, including grants, complied with applicable terms, conditions, and restrictions, and determine whether the executed scope of the EAIP aligned with the scope described in the Board Report, Grant, and other funding agreements and assess reasons for variances, including change orders.

## **Contract, Financial and Compliance Audits**

### **Contract Pre-Award Audits**

Office: Strategic Financial Management

Objective: Perform pre-award audits for procurements and modifications

### **Incurred Cost Contract and Grant Audits**

Office: Planning and Development / Program Management

Objective: Verify whether costs are reasonable, allowable, and allocable on cost-reimbursable contracts and grants for contractors and grantees, respectively

### **Financial and Compliance External Audits**

Offices: Agencywide

Objective: Complete legally mandated financial and compliance audits

### **Business Interruption Fund**

Offices: Strategic Financial Management

Objective: Verify the Business Interruption Fund (BIF) Administrator's compliance with the Los Angeles County Metropolitan Transportation Authority's (Metro) Business Interruption Fund (BIF) Administrative Guidelines and Fund Disbursement Procedures.