



Board Report

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MEASURE R INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE NOVEMBER 4, 2020

**SUBJECT: FY 2018-19 AUDIT - MEASURE R LOCAL RETURN COMPLIANCE STATUS
SUMMARY**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the attached FY 2018-19 Audit Measure R Compliance Status Summary table, for the Cities of Los Angeles County and Los Angeles County Unincorporated. If there is no finding for FY19 Measure R Local Return funds, the city is not listed in this table.

ISSUE

The Measure R Local Return audits for all Local Jurisdictions were finalized on December 31, 2019, with the exception of South El Monte which was completed August 27, 2020. Out of the 88 Cities and Los Angeles County Unincorporated, there were a total of 20 Local Jurisdictions with audit compliance issues. Some cities had multiple issues (no more than two) for a total of 22 findings. All findings have been addressed and are resolved, or in the process of being resolved.

Regarding audit issues and resolutions to the issues, LACMTA sent emails to each jurisdiction with an audit finding in February 2020. Attachment A is a summary table listing of the non-compliant Local Jurisdiction with the auditor's FY2018-19 compliance area finding, questioned costs, and current status.

LACMTA will continue to assist Local Jurisdictions in achieving current and future compliance with the Measure R Local Return Guidelines by monitoring the issues presented by the auditors.

DISCUSSION

Audit findings have been broken down to four basic categories as follows:

- A. Findings of not having submitted their form on time total 13. The form, either a Form One, Form Two, or Recreational Transit Form, is required to be submitted to LACMTA by a certain date.
- B. Cities that had issues with salaries, record keeping and unsupported documentation related to such charges equal 3. Most of these issues had to do with timesheet charges based on adopted budget percentages or authorization signatures.
- C. Cities that failed to obtain approval before incurring expenditures, list at 6. Cities are required to obtain project approval prior to expending funds by submitting a Form One which lists the project name, amount of Measure R Local Return funds to be budgeted for the project, project description and justification. This is necessary so that the project can be reviewed by LACMTA for Measure R Local Return eligibility per the Local Return Guidelines.

NEXT STEPS

LACMTA will continue to monitor each city's progress and note any finding that is repetitive or of a more serious nature.

ATTACHMENT

- A. FY 2018-19 AUDIT - MEASURE R COMPLIANCE STATUS SUMMARY

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