



Board Report

File #: 2020-0720, **File Type:** Informational Report

Agenda Number: 4.

**MEASURE R INDEPENDENT TAXPAYERS
OVERSIGHT COMMITTEE
NOVEMBER 4, 2020**

SUBJECT: MEASURE R ORDINANCE AND LOCAL RETURN COMPARATIVE ANALYSIS

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file comparative analysis on the Independent Auditor’s findings on Compliance with Requirements Applicable to Measure R Ordinance and Measure R Local Return Guidelines for the last four years.

ISSUE

The Measure R Oversight Committee requested that we provide a comparative analysis on the auditor’s findings for the previous four years. This report is provided to fulfill this request for Fiscal Year 2016 - 2019.

DISCUSSION

Metro contracted with two firms to conduct the audits for the reporting period which were Vasquez & Company, LLP (Vasquez) and Simpson & Simpson. The auditors have found that the cities and county generally complied with the requirements applicable to the Measure R Local Return Guidelines, with the exception of the City of Compton for FY 2016 and FY 2018 and the City of South El Monte in FY 2019. The auditors found a compliance rate of:

- 97% for FY 2016;
- 96% for FY 2017;
- 97% for FY 2018; and
- 97% for FY 2019.

The table below shows a summary of the findings by compliance area:

Compliance Area	FY 2016	FY 2017	FY 2018	FY 2019
Funds were expended with LACMTA's approval	8	10	11	6
Expenditure Report (Form 2) was submitted on time	6	2	1	7
Expenditure Plan (Form 1) was submitted on time	3	15	8	5
Funds were expended for transportation purposes	8	4	3	4
Admin Expenditures are within the 20% cap	3	N/A	1	NA
Recreational Transit form was not submitted on time.	1	N/A	N/A	1
Timely Use of Funds	N/A	1	3	N/A
Accounting procedures, record keeping and documentation are adequate	N/A	N/A	1	N/A
Total Findings per Fiscal Year	29	32	28	23

Resolution of the deficiencies is discussed in another item within this agenda titled Measure R Local Return Compliance Status.

NEXT STEPS

Management Audit Services will follow-up on the corrective actions as outlined in the Vasquez and Simpson and Simpson Independent Auditor's Reports on Compliance with Requirements Applicable to Measure R Ordinance and Measure R Local Return Guidelines to ensure implementation and compliance.

Prepared by: Monica Del Toro, Audit Support Manager, (213) 922-7494
 Lauren Choi, Sr. Director, Audit (Interim), (213) 922-3926

Reviewed by: Shalonda Baldwin, Chief Auditor (Interim), (213) 418-3265