



Board Report

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FINANCE, BUDGET AND AUDIT COMMITTEE NOVEMBER 16, 2022

SUBJECT: MANAGEMENT AUDIT SERVICES FY 2023 FIRST QUARTER STATUS REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Management Audit Services (MAS) FY 2023 first quarter status report.

ISSUE

MAS is required to provide a quarterly activity report to Metro's Board of Directors (Board) that presents information on audits that have been completed or are in progress, including information related to audit follow-up activities. This report covers the period July 1, 2022 through September 30, 2022.

BACKGROUND

MAS provides audit services in support of Metro's ability to provide responsive, accountable, and trustworthy governance. The department performs internal and external audits. Internal audits evaluate the processes and controls within the agency, while external audits analyze contractors, cities, and/or non-profit organizations that are recipients of Metro funds. The department delivers management audit services through functional groups: Performance Audit; Contract, Financial and Compliance Audit; and Administration and Policy, which includes audit support functions. Performance audit is mainly responsible for internal audits and reviews such as special projects related to the programs and activities under the purview of the Office of the Chief Executive Officer, the People Office, Operations, Program Management, Safety Office, Planning and Development, including other Metro departments. Contract, Financial and Compliance Audit is primarily responsible for external audits in Planning and Development, Program Management, and Strategic Financial Management Office. MAS' functional units assure the public that internal processes and programs are being managed efficiently, effectively, economically, ethically, and equitably; and that desired outcomes are achieved. This assurance is provided by MAS' functional units conducting audits of program effectiveness, economy and efficiency, internal controls, and compliance. MAS' Administration and Policy unit is responsible for administration, and financial management, including audit support, follow-up, and resolution tracking.

DISCUSSION

The following chart summarizes MAS activity for FY 2023 first quarter.

	Completed in FY 2023 First Quarter	In-Progress as of September 30, 2022
Performance Audits	2 audit projects	6 audit projects
Contract, Financial and Compliance Audits	10 audit projects with a total value of \$23 million	61 audit projects
Audit Follow-up and Resolution*	4 follow-up recommendations closed	
	3 follow-up recommendations closed	

*Note: MAS performs audit follow-up for the Office of Inspector General (OIG).

The FY 2023 First Quarter Status Report is included as Attachment A.

EQUITY PLATFORM

There are no equity impacts or concerns from audit services conducted during this period. However, MAS recognizes that the department’s opportunity to advance equity starts with conducting audits with equity themes that lead to the accountability and compliance of programs and policies aimed directly or indirectly at creating more equitable outcomes in Equity Focus Communities throughout the Los Angeles region. In the future, MAS will consider and identify agency-wide policies and programs that have equity compliance aspects and support the monitoring and compliance reporting through audit engagements as appropriate.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Management Audit Services FY 2023 First Quarter Status Report supports Metro’s Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

Management Audit Services will continue to report audit activity throughout the current fiscal year.

ATTACHMENT

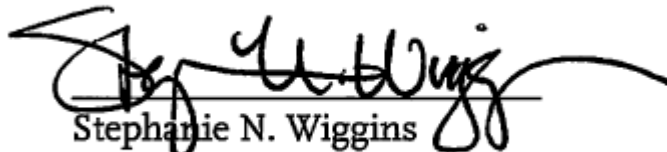
- A. FY 2023 First Quarter Status Report

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