



## Board Report

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### FINANCE, BUDGET AND AUDIT COMMITTEE MARCH 15, 2023

**SUBJECT: MANAGEMENT AUDIT SERVICES FY 2023 SECOND QUARTER REPORT**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE the Management Audit Services FY 2023 second-quarter report.

#### **ISSUE**

Management Audit Services (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.

#### **BACKGROUND**

It is customary practice for MAS to deliver the quarterly audit report. The FY 2023 second-quarter report covers the period of October 1, 2022, through December 31, 2022.

#### **DISCUSSION**

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 related to Operations, Finance and Administration, Planning and Development, Program Management, Information Technology, Communications, Risk, Safety, and Asset Management, including the Chief Executive Office; and other internal areas. Contract, Financial and Compliance Audit is primarily responsible for external audits in Planning, Program Management, and Vendor/Contract Management. MAS' functional units provide assurance to the public that internal processes and programs are being managed efficiently, effectively, economically, ethically, and equitably; and that desired outcomes are being achieved. This assurance is provided by MAS' functional units conducting audits of program effectiveness, economy

and efficiency, internal controls, and compliance. Administration and Policy are responsible for administration, financial management, including audit support, audit follow-up, and resolution tracking.

The following summarizes MAS activity for FY 2023 second quarter:

Performance Audits: Two (2) audit projects were completed; six (6) were in progress.

Contract, Financial and Compliance Audits: Six (6) audits with a total value of \$35 million were completed; 58 were in progress.

Financial and Compliance Audits of Metro: Eight (8) audits were issued by external Certified Public Accounting (CPA) firms.

Audit Follow-up and Resolution: Six (6) recommendations were closed during the quarter; one (1) recommendation for the Office of the Inspector General (OIG) was closed. Note: MAS performs audit follow-up for the OIG.

The FY 2023 Second Quarter Report is included as Attachment A.

## **EQUITY PLATFORM**

There are no anticipated equity impacts or concerns from audit services conducted during this period.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

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

## **NEXT STEPS**

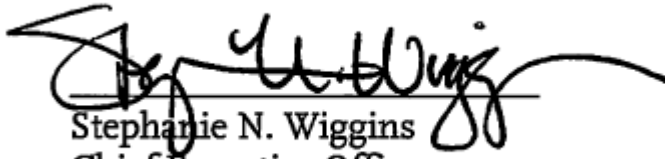
Management Audit Services will continue reporting audit activity throughout the fiscal year.

## **ATTACHMENT**

Attachment A - FY 2023 Second Quarter Report

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