



## Board Report

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### FINANCE, BUDGET AND AUDIT COMMITTEE FEBRUARY 17, 2021

**SUBJECT: MANAGEMENT AUDIT SERVICES FY 2021 SECOND QUARTER REPORT**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE Management Audit Services (MAS) quarterly report for the period ending December 31, 2020.

#### **ISSUE**

MAS is required to provide a quarterly activity report to Metro's Board of Directors that includes information on audits that have been completed or in progress including information related to audit follow-up activities.

#### **BACKGROUND**

It is customary practice for Management Audit Services to deliver the quarterly audit report. This report covers Q2 of FY 2021.

#### **DISCUSSION**

MAS provides audit support to Metro's Chief Executive Officer (CEO) and the CEO's senior leadership team in support of the agency'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 which are Performance Audit, Contract, Financial and Compliance Audit, and Audit Support. 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's functional units provide assurance to the public that internal processes and programs are being managed efficiently, effectively, economically, ethically, and equitably and that

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desired outcomes are being achieved. This assurance is provided by the MAS's functional units conducting audits of program effectiveness; economy and efficiency, internal controls, and compliance. Audit Support is responsible for administration, financial management, budget coordination, and audit follow-up and resolution tracking.

The summary of MAS activity for the quarter ending December 31, 2020 is as follows:

Performance Audits: Four projects were completed during the second quarter; and eight were in progress.

Contract, Financial and Compliance Audits: Six audits with a total value of \$107 million were completed during the second quarter; and 87 audits were in progress.

Financial and Compliance Audits of Metro: Seventeen financial and compliance audits were issued by external CPA firms.

Audit Follow-up and Resolution: Eleven recommendations were closed during second quarter.

\*Note: MAS performs audit follow-up for the Office of Inspector General (OIG), which 2 OIG recommendations were closed during the reporting period.

The second quarter FY 2021 report is included as Attachment A.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Receive and file of this item supports Metro Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

## **NEXT STEPS**

Management Audit Services will submit the Receive and File report for FY 2021 third quarter audit activity in May 2021.

## **ATTACHMENT**

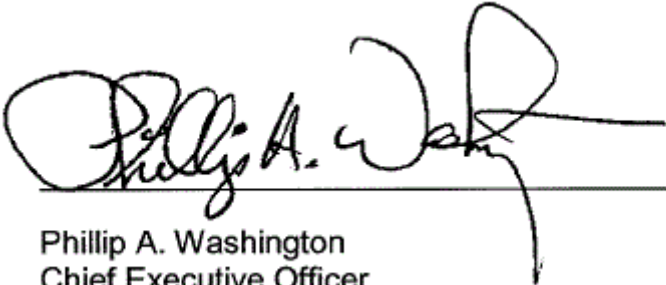
Attachment A - Management Audit Services Second Quarterly FY 2021 Report

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