



Board Report

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Agenda Number: 14.

**FINANCE, BUDGET AND AUDIT COMMITTEE
SEPTEMBER 19, 2024**

SUBJECT: MANAGEMENT AUDIT SERVICES FY 2024 FOURTH QUARTER AND CUMULATIVE YEAR-END REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Management Audit Services (MAS) FY 2024 Fourth Quarter and cumulative FY 2024 year-end 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.

BACKGROUND

It is customary practice for MAS to deliver the quarterly audit report. The FY 2024 Fourth Quarter report covers the period from April 1, 2024, through June 30, 2024, and the cumulative FY 2024 year-end for the period from July 1, 2023, through June 30, 2024.

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 is responsible for administration, financial management, quality assurance, and audit support, including audit follow-up and resolution tracking.

The following summarizes MAS activity for FY 2024 Fourth Quarter and FY 2024 year ending June 30, 2024. Additional details can be found in the FY 2024 Fourth Quarter and Cumulative Year-End Report (Attachment A).

Performance Audits: Two audit projects were completed for the quarter, four for the fiscal year, and seven were in progress.

Contract, Financial and Compliance Audits: Twenty audits with a total expenditure value of \$4.7 million were completed for the quarter. Fifty-nine audits with a total expenditure value of \$47 million were completed for the fiscal year, and 69 were in progress.

Other Audits: Five audits issued by external firms were completed for the quarter, and 151 audits were completed for the fiscal year.

Audit Follow-up and Resolution: Ten recommendations were closed for the quarter and 29 for the fiscal year.

Note: MAS performs audit follow-up for the Office of Inspector General (OIG). One recommendation was closed for the fiscal year.

EQUITY PLATFORM

Management Audit Services' activities provide an additional level of review and assessment to identify potential equity impacts from Metro's work and performance. There are no known equity impacts or concerns from audit services conducted during this period.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Management Audit Services FY 2024 Fourth Quarter and Cumulative Year-End Report supports Metro's Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

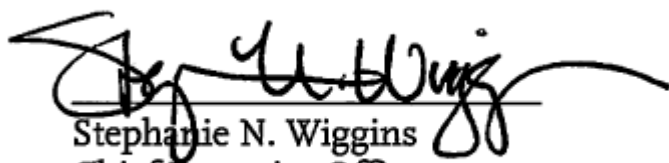
Management Audit Services will continue to report audit activity throughout the fiscal year.

ATTACHMENT

Attachment A - FY 2024 Fourth Quarter and Cumulative Year-End Report

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