



Board Report

File #: 2020-0075, **File Type:** Informational Report

Agenda Number:

FINANCE, BUDGET AND AUDIT COMMITTEE FEBRUARY 19, 2020

SUBJECT: MANAGEMENT AUDIT SERVICES FY 2020 SECOND QUARTER REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Management Audit Services (MAS) quarterly report for the period ending December 31, 2019.

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 Metro's Management Audit Services to deliver the quarterly audit report. This report covers Q2 of FY2020.

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 or 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 primarily responsible for all 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 departments. Contract, Financial and Compliance Audit are responsible for external audits in Planning and Development, Program Management and Vendor/Contract Management. MAS's functional units provide assurance to the public that internal processes are efficiently, economically, ethically, and equitably performed by conducting audits of

program effectiveness; and results in 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, 2019 is as follows:

Internal Audits: Four internal audits were completed during the second quarter; and 10 internal audits were in progress.

Contract, Financial and Compliance Audits: Four contract, financial and compliance audits with a total value of \$14 million were completed during the second quarter; and 67 contract, financial and compliance audits were in progress.

Other Audits: Seventeen other audits were issued by external CPA firms.

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

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

Management Audit Services' Second Quarter FY2020 report is included as Attachment A.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval 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 Q3 FY2020 audit activity in May 2020.

ATTACHMENT

Attachment A - Management Audit Services Second Quarterly FY2020 Report

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