



Board Report

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Agenda Number: 6.

FINANCE, BUDGET AND AUDIT COMMITTEE NOVEMBER 18, 2020

SUBJECT: MANAGEMENT AUDIT SERVICES FY 2021 FIRST QUARTER REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Management Audit Services (MAS) quarterly report for the period ending September 30, 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 Q1 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

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 September 30, 2020 is as follows:

Performance Audits: Three reports were completed during the first quarter; and 9 projects were in progress.

Contract, Financial and Compliance Audits: Three contract, financial and compliance audits with a total value of \$41 million were completed during the first quarter; and 86 contract, financial and compliance audits were in progress.

Other Audits: One other audit was issued by external CPA firms.

Audit Follow-up and Resolution: Nine recommendations were closed during first quarter.

*Note: MAS performs audit follow-up for the Office of Inspector General (OIG), which 23 OIG recommendations were closed during the reporting period.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

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

NEXT STEPS

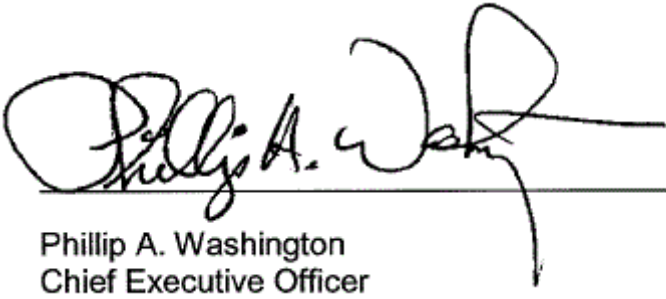
Management Audit Services will submit the Receive and File report for FY 2021 second quarter audit activity in February 2021.

ATTACHMENT

A. Management Audit Services First Quarterly FY 2021 Report

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