Metro

Metro

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 the 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

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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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Phillip A. Washington
Chief Executive Officer

MANAGEMENT AUDIT SERVICES
QUARTERLY REPORT TO THE BOARD

# Los Angeles County Metropolitan Transportation Authority

Second Quarter
FY 2020

Metro

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Summary of In Progress Audit Activity

Management Audit Services (MAS) have seventy-seven in progress projects as of December 31, 2019; which include 10 internal audits and 67 contract, financial and compliance audits. The in progress internal audits are listed in Appendix A.
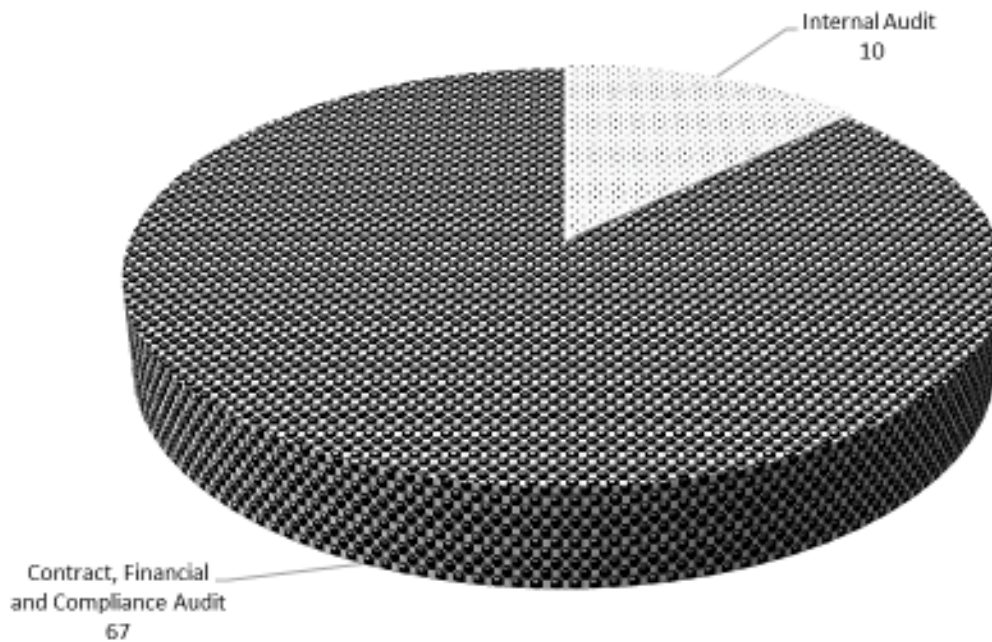
There are 50 open audit recommendations as of December 31, 2019. In addition, there are 96 open OIG audit recommendations.

EXECUTIVE SUMMARY

Summary of Q2 Completed Audit Activity

MAS completed 25 projects and closed 17 recommendations during Q2 FY 2020, October 1 through December 31, 2020.

The projects comprised of 4 internal audits; 4 contract, financial and compliance audits; 17 other audits and are as follow:

Internal Audits
- Independent Auditor's Compliance Report on Metro's Business Interruption Fund (BIF) Pilot Program;
- Independent Accountant's Report on Agreed-Upon Procedures over Assets Purchased by Metro for Los Angeles County Sheriff's Department (LASD);
- Performance Audit of the Rail Communications Systems; and
- Performance Audit of the Supervisory Control and Data Acquisition (SCADA) Security Controls.

Contract, Financial and Compliance Audits
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Incurred Cost of Gateway Cities' Goods Movement National Highway System (NHS) Access Design and Implementation Project – Phase II;
- Independent Auditor's Report on Agreed-Upon Procedures for the Close-out Incurred Cost of County of Los Angeles' Del Amo Boulevard Improvements from Vermont Avenue to Western Avenue Project;
- Independent Auditor's Report on Agreed-Upon Procedures of ILF Consultants, Inc.'s final indirect cost rates for fiscal year 2017 for the Division 20 Portal Widening Turnback Project; and
- Independent Auditor's Report on Agreed-Upon Procedures of LKG-CMC, Inc.'s final indirect cost rates for fiscal years ending September 30, 2011 and September 30, 2012 for the Regional Connector Transit Corridor Project.

Other Audits
- Seventeen other audits issued by external Certified Public Accountant (CPA) firms.

Audit Follow-Up:
- Fifteen recommendations were closed during the second quarter. In addition, MAS closed two OIG recommendations.

EXECUTIVE SUMMARY

The following chart identifies the functional areas which MAS staff focused efforts during Q2 FY 2020:
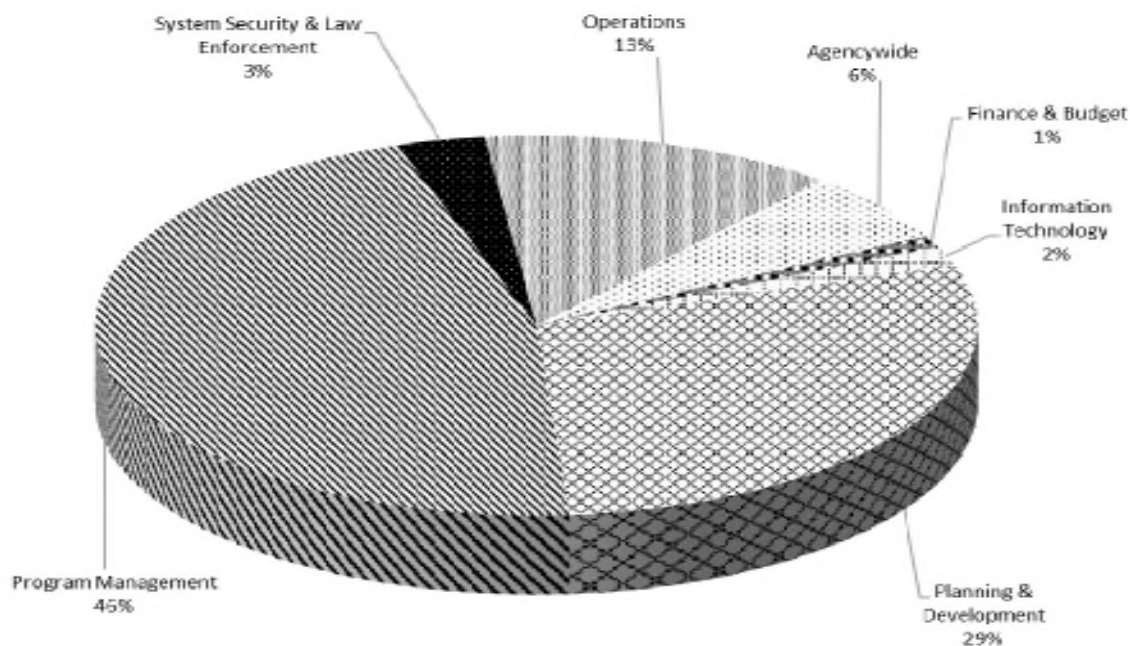
The internal audits are highlighted on page 4. The completed contract, financial and compliance audits are highlighted on page 5. The other audits issued by external CPA firms are highlighted on page 6. A summary of closed and open audit recommendations for MAS and OIG are included on page 9.

INTERNAL AUDITS

The following four internal audits were issued in Q2 FY 2020:

Performance Audit of the Supervisory Control and Data Acquisition (SCADA) Security Controls
MAS contracted with BCA Watson Rice LLP (BCA), the independent external auditing firm, to conduct a performance audit of Metro's SCADA system. The audit objective was to determine the adequacy of the security for the SCADA system. BCA found that overall the SCADA System has security measures in place and staff go through great lengths to protect the security of the SCADA System. Management concurred with all recommendations and is implementing the corrective actions.

Performance Audit of the Rail Communications Systems
MAS contracted with BCA to conduct a performance audit of the Rail Communications (RailComm) Systems security. The audit objective was to determine the adequacy of the security of the Rail Communications Systems. BCA found that overall the RailComm Systems have security measures in place and the staff go through lengths to protect the security of its system and operations. Management concurred with all recommendations and is implementing the corrective actions.

Independent Accountant's Report on Agreed-Upon Procedures over Assets Purchased by Metro for Los Angeles County Sheriff's Department (LASD)
MAS contracted with BCA to provide a report on agreed-upon procedures over assets purchased by Metro for LASD contracts. The engagement was part of the Board approved FY19 Annual Audit Plan. The scope of engagement was to assist Metro in confirming the existence, condition and current disposition of assets purchased by Metro, but deployed and managed by LASD under security service contracts between Metro and LASD from 2008 through September 2019.

The auditors found that all, but one of 64 assets tested were accounted for, and LASD confirmed possession of the one missing asset. Fifty-seven (57) assets were verified by physical inspection and remain in service. The others were disposed of, reassigned or are in Metro custody. Metro and LASD management will work together to resolve issues noted related to the ownership and disposition of some of the assets.

Independent Auditor's Compliance Report on Metro's Business Interruption Fund (BIF) Pilot Program
MAS contracted with BCA to complete an independent auditor's report on Pacific Coast Regional Small Business Development Corporation's (PCR) annual compliance with Metro's BIF Administrative Guidelines and Fund Disbursement Procedures. The engagement was part of the Board approved FY19 Annual Audit Plan. The auditors found that PCR complied, in all materials respects, with Metro's BIF Administrative Guidelines and Fund Disbursement Procedures during the period March 1, 2018 to February 28, 2019.

CONTRACT, FINANCIAL AND COMPLIANCE AUDITS

MAS' Contract, Financial and Compliance Audit unit conducts audits of Planning and Development's Call-for-Projects program, Program Management's highway projects, federally funded transportation programs, including various other transportation related projects and Caltrans projects. The purpose of the Contract, Financial and Compliance Audit is to ensure that funds are expended in accordance with the terms of the grants and/or contracts including federal cost principles.

MAS staff completed four contract, financial and compliance audits during Q2 FY 2020. MAS staff reviewed $14 million of funds and identified $2.8 million or 20% of funds that may be reprogrammed.

Details on Contract, Financial and Compliance Audits completed during Q2 FY 2020 are included in Appendix B.

OTHER AUDITS

Other audits completed during Q2 FY 2020 by external CPA firms include:

Gateway Center Basic Financial Statements – Issued November 2019
Metro acquired the Union Station and Gateway Center properties in April 2011 and entered
into a Leasing and Operations Management Agreement with Morlin Asset Management for
the management and operations of the Gateway Center and Union Station.

We contracted BCA to conduct an audit of the financial statements for this entity for the
year ended June 30, 2019. The auditor found that the financial statements present fairly, in
all material respects, the financial position of each entity.

Los Angeles Union Station Property Basic Financial Statements – Issued November 2019
Metro acquired the Union Station and Gateway Center properties in April 2011 and entered
into a Leasing and Operations Management Agreement with Morlin Asset Management for
the management and operations of the Gateway Center and Union Station.

We contracted BCA to conduct an audit of the financial statements for this entity for the
year ended June 30, 2019. The auditor found that the financial statements present fairly, in
all material respects, the financial position of each entity.

Metro ExpressLanes Fund Financial Statements – Issued November 2019
Metro ExpressLanes started as a one-year demonstration program that tested innovations
to improve existing transportation systems in three sub-regions: San Gabriel Valley, Central
Los Angeles, and South Bay. The first Metro ExpressLanes commenced revenue
operations in November 2012 on the I-110 Harbor Freeway, between Adams Blvd. and the
91 freeway. The second began revenue operations in February 2013 on the I-10 El Monte
Freeway between Alameda St. and the 605 Freeway. In April 2014, the Board voted
unanimously to make the ExpressLanes on the I-110 and I-10 Freeways permanent. Later
that year the California State Legislature approved a motion making the toll lanes
permanent in Los Angeles and that the Governor sign it to become official.

An audit of the financial statements of Metro ExpressLanes, an enterprise fund of Metro,
was performed by BCA for the fiscal year ended June 30, 2019. BCA found that the
financial statements present fairly, in all material respects, the financial position of the
Metro ExpressLanes Fund as of June 30, 2019.

PTSC-MTA Risk Management Authority (PRMA) Basic Financial Statements – Issued
November 2019
In October 1998, the Public Transportation Services Corporation (PTSC) and Metro
entered into a joint powers agreement to create the PRMA for the purpose of establishing
and operating a program of cooperative self-insurance and risk management. PRMA
receives all its funding from Metro and PTSC. As PTSC also receives its funding from
Metro, PRMA is a component unit of Metro and is included in its financial statements as a
blended component unit.

OTHER AUDITS

An audit of PRMA's financial statements by an independent CPA firm is required annually. We contracted BCA to conduct the audit for the fiscal year ended June 30, 2019. BCA found that the financial statements present fairly, in all material respects, the financial position of PRMA as of June 30, 2019.

Schedule of Revenues and Expenditures for Proposition A and Proposition C Special Revenue Funds – Issued November 2019
The MTA Reform and Accountability Act of 1998 requires the completion of an independent audit to determine compliance by Metro with the provisions of Propositions A and C.

BCA completed the Independent Auditor's Report on Schedule of Revenues and Expenditures for Proposition A and Proposition C Special Revenue Funds, which fulfills the requirement for the year ended June 30, 2019. The auditor found that the schedules present fairly, in all material respects, the Proposition A and Proposition C Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2019. As required by law, BCA presented the results of the audit to the Independent Citizen's Advisory Oversight Committee in February 2020.

Schedule of Revenues and Expenditures for Measure R Special Revenue Fund – Issued November 2019
The voter approved Measure R Ordinance mandates that an annual audit be conducted after the end of the fiscal year to ensure that the Metro complies with the terms of the Ordinance related to the receipt and expenditure of sales tax revenues during the fiscal year.

BCA completed the Independent Auditor's Report on Schedule of Revenues and Expenditures for Measure R Special Revenue Fund, which fulfills the requirement for the year ended June 30, 2019. The auditor found that the schedule present fairly, in all material respects, the Measure R Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America. As required by law, BCA will present their audit report to the Measure R Independent Taxpayers Oversight Committee.

Schedule of Revenues and Expenditures for Measure M Special Revenue Fund – Issued November 2019
The voter approved Measure M Ordinance mandates that an annual audit be conducted after the end of the fiscal year to ensure that the Metro complies with the provisions of the Ordinance related to the receipt and expenditure of sales tax revenues during the fiscal year.

BCA completed the Independent Auditor's Report on Schedule of Revenues and Expenditures for Measure M Special Revenue Fund, which fulfills the requirement for the year ended June 30, 2019. The auditor found that the schedule present fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal

OTHER AUDITS

year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America. As required by law, BCA will present their audit report to the Measure M Independent Taxpayer Oversight Committee in March 2020.

<u>Regional Transit Access Pass (TAP) Service Center TAP Settlement and Clearing Account – Basic Financial Statements – Issued November 2019</u>
Los Angeles TAP was created by Metro through Board action to implement a region-wide universal fare system which provides a fully integrated, electronic fare collection system that allows seamless multi-modal travel throughout the region using smart card technology. This universal fare system is known today as the Regional TAP Program. The Regional TAP Program is managed by the Regional TAP Service Center utilizing Metro staff resources.

We contracted BCA to conduct an audit of the financial statements for the year ended June 30, 2019. The auditor found that the statement of net position present fairly, in all material respects, the financial position of the Regional TAP Service Center Settlement and Clearing Accounts as of June 30, 2019.

<u>Basic Financial Statements and Component Audits – All parts issued by December 2019</u>
Metro is required to be audited annually by independent certified public accountants. The resulting reports include Metro's basic financial statements and following component audits for the year ended June 30, 2019:

- Comprehensive Annual Financial Report;
- Single Audit Report for fiscal year ended June 30, 2019;
- Federal Funding Allocation Data for the Transportation Operating Agency (ID# 90154) for the fiscal year ended June 30, 2019;
- Transportation Development Act Operations Agency for the fiscal year ended June 30, 2019;
- Transportation Development Act Schedule of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2019;
- State Transit Assistance Special Revenue Fund's financial statements as of and for the years ended June 30, 2019 and 2018;
- Crenshaw Project Corporation (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) financial statements as of June 30, 2019;
- Service Authority for Freeway Emergencies (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) financial statements for the year ended June 30, 2019; and
- Low Carbon Transit Operations Program (LCTOP) and Report on Internal Control over Compliance for the fiscal year ended June 30, 2019.

Crowe, the independent external auditor, issued unmodified opinions on all audit reports for FY19, meaning that all financial statements for FY19 were fairly presented and that Metro complied in all material respects with the applicable financial reporting framework and compliance requirements respectively.

AUDIT SUPPORT

Audit Follow-Up and Resolution

The tables below summarize the audit recommendations closed during second quarter and open recommendations as of December 31,2019. Details of open audit recommendations for MAS and OIG are included in Appendix C and D.

MAS and External Audit Recommendations

Executive Area	Closed	Late	Extended	Not Yet Due/Under Review	Total Open
Communications	1		1		1
Finance & Budget			1	3	4
Information Technology Services	2				
Operations	3		4	29	33
Planning and Development			1	1	2
Program Management				1	1
Systems Security and Law Enforcement				5	5
Vendor/Contract Management	9			4	4
Total	15		7	43	50

OIG Audit Recommendations

Executive Area	Closed	Late	Extended	Not Yet Due/Under Review	Total Open
Communications				5	5
Operations	2			51	51
Systems Security and Law Enforcement				40	40
Total	2			96	96

No.	Area	Audit Number & Title	Description	Frequency	Requirement	Estimated Date of Completion
			Internal Audit - In Progress Audits as of December 31, 2019			
1	Human Capital & Development	19-BEN-P01 - Performance Audit of Benefit Eligibility	Evaluate adequacy of internal controls over eligibility process for employee dependents for medical benefits.	First Time	Per FY19 Audit Plan	2/2020
2	Systems Security and Law Enforcement	19-RSK-P01 - Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan (COOP)	Evaluate the adequacy of System Security and Law Enforcement's COOP and Standard Operating Procedures (SOPs) to support mission essential functions during emergencies.	2nd Time; Last Audit 9 years ago	Per FY18 Audit Plan	2/2020
3	Operations	16-OPS-P03 - Performance Audit of Accident Prevention Program	To assess progress made in this area since the 2012 MAS audit of bus accident prevention and to identify improvement opportunities that may reduce accidents.	2nd Time; Last Audit 7 years ago	Per FY16 Audit Plan	3/2020
4	Vendor/Contract Management	17-VCM-P02 - Performance Audit of Change Order Internal Controls	To evaluate the adequacy and effectiveness of internal controls over the Contract Change Order Process, and to evaluate the utilization of Key Information by VCM.	First Time	Per FY17 Audit Plan	3/2020
5	Human Capital & Development / Finance & Budget	17-OMB-P04 - Performance Audit of Position Reconciliation Process	To evaluate the adequacy of the Position Reconciliation Process between the cost centers, Human Capital & Development and Office of Management and Budget.	2nd Time; Last Audit 9 years ago	Per FY17 Audit Plan	3/2020
6	Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering & Maintenance Training Phase I	Determine whether existing and newly hired employees of Wayside Systems Engineering & Maintenance completed the required training (technical, safety, and mandated) including required refresher courses; required certification per position is current; and employees have the right certification for the tasks assigned.	First Time	Per FY19 Audit Plan	3/2020
7	Operations / Systems Security and Law Enforcement	18-AGW-P01 - Performance Audit of Internal Controls over Overtime Payments for AFSCME	Evaluate adequacy of the internal controls over overtime payments for AFSCME union employees for selected positions.	2nd Time; Last Audit 2 years ago	Per FY18 Audit Plan	4/2020
8	Operations / Risk, Safety / Environmental Compliance	20-OPS-P01 - Performance Audit of Personal Protective Equipment for Maintenance	Determine adequacy of training and utilization of personal protective equipment by Metro workers performing clean-ups of Metro facilities impacted by activities of homeless individuals.	First Time	Per FY18 Audit Plan	6/2020
9	Communications / Finance & Budget	20-COM-P01 - Performance Audit of Expanded Discount Programs	Determine the adequacy and effectiveness of internal controls over the expanded discount (special fares for patrons) programs.	2nd Time; Last Audit 3 years ago	Per FY18 Audit Plan	6/2020
10	Agency-Wide	20-ITS-P01 - Performance Audit of IT Security Awareness	Evaluate the extent of information technology security awareness for selected business units within the Agency.	First Time	Per FY20 Audit Plan	6/2020

Appendix B

No.	Area	Audit Number & Type	Auditee	Frequency	Requirement	Date Completed
	Contract, Financial and Compliance Audit - Audits Completed During Second Quarter					
1	Planning & Development	17-PLN-A32 - Closeout	Gateway Cities Council of Governments	Once	Per Project Manager's request and MOU. P0007193	10/2019
2	Program Management	18-HWY-A12 - Closeout	County of Los Angeles	Once	Per Project Manager's request and MOU. MR312.16	11/2019
3	Program Management	19-CON-A01 - Agreed-Upon Procedures	ILF Consultants, Inc.	Once	V/CM Policy and Contract Terms	12/2019
4	Program Management	19-CON-A09 - Agreed-Upon Procedures	LKG-CMC, Inc.	Once	V/CM Policy and Contract Terms	12/2019

Appendix C

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				Open Audit Recommendations as of December 31, 2019		
1	Communications	16-COM-P01 Special Fares Programs	21	We recommend the Communications Department to renew the agreement with the Court to confirm mutual agreement. **Update: MOU is in the final stages. Metro Commute Services (MCS) is obtaining input from County Counsel.**	3/31/2017	12/31/2019
2	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4a	We recommend the Chief Operations Officer consider directing Rail Operations to add more fields in the electronic Track Allocation Request Form to assist Rail Operations Controllers in minimizing some of their manual entries. For example, the Track Allocation Request Form could be further configured to include a check box indicating if the schedule was activated or not, as well as the time and date it was activated, and a drop down menu to include reasons for schedule modification. **Update: This recommendation is about 30% complete. Operations is developing an electronic Track Allocation Form/Schedule, integrating System Generated Special Events Calendar, generating an electronic Work Permit, and generating System Reports.**	6/30/2019	4/30/2020
3	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4b	We recommend the Chief Operations Officer consider directing the Track Allocation Coordinator to measure effectiveness of schedules by periodically assessing whether crews that were scheduled to access the ROW actually accessed the ROW. This will provide visibility to the stakeholders as well as assist the Track Allocation Coordinator in modifying future schedules. This periodic review will only be possible once the data from the newly implemented log has been collected. **Update: Pending completion of recommendation 4a.**	6/30/2019	4/30/2020
4	Finance & Budget	16-VCM-P01 Performance Audit of Purchase Card (P-Card) Program	4	We recommend that Accounts Payable coordinate with Information Technology Systems and the Agency Program Coordinator to automate the approval process to improve processing time of P-Card statements as well as authentication of the approvers. **Update: Accounting staff met with ITS to discuss the approval process automation project for P-Card. Based on current workload, approval workflow, testing and user training will be implemented by March 31 2020.**	8/30/2019	3/31/2020
5	Systems Security and Law Enforcement	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	1a	We recommend that the Emergency Management Unit collaborate with the business units, starting with V/CM, to ensure that the business unit COOPs, and all related documents (e.g., SOPs), include the essential content necessary to support the agency-wide program.	6/30/2020	

Any findings that have not been corrected 90 days after the due date are reported as late.

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				Open Audit Recommendations as of December 31, 2019		
6	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	1b	We further recommend that over the next 12 to 18 months, V/CM should consider focusing its efforts on completing and including the following content with Emergency Management's support and guidance: criteria for COOP activation and relocation decisions; flow charts and decision trees; step-by-step instructions applicable to Gateway or agency-wide emergencies; names, titles and contact details such as phone numbers and emails for all continuity personnel (e.g., Advance Team, CMG, and successors); distribution and logistics dependencies, such as MEFs, mission essential systems, records, databases, supplies and equipment; mission essential records and database storage locations.	10/30/2020	
7	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	2	We recommend that V/CM management review and reassess the COOP and SOPs periodically to verify that any resulting updates are implemented, including updating V/CM's COOP contact details in the event of key personnel changes.	4/30/2020	
8	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	3	We recommend that V/CM management work with Emergency Management to arrange for COOP execution training by an emergency management expert concurrently with each annual update.	7/31/2020	
9	Program Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	4	We recommend that the Chief Program Management Officer take the lead role in collaborating with all responsible parties, such as V/CM, Project Delivery Third Party Coordination, County Counsel, etc., to establish agreements with utility companies to guarantee service continuity and restoration in emergency situations.	3/31/2020	
10	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	5	We recommend that V/CM management consider referencing all the existing COOP-related SOPs to the COOP and/or attaching them as appendices to the COOP, doing the same to the SOPs under development as they are completed.	10/30/2020	
11	Planning & Development	18-CON-P01 Performance Audit of the Regional Connector Transit Corridor Project	2	We recommend Metro's Countywide and Planning Development Management to conduct Fiscal Stability Overview and Funding Commitment Inventory analyses annually for the planned capital programs. **Update: Closed as of January 2020.**	12/31/2019	

Any findings that have not been corrected 90 days after the due date are reported as late.

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				Open Audit Recommendations as of December 31, 2019		
12	Planning & Development	18-CON-P01 Performance Audit of the Regional Connector Transit Corridor Project	3	We recommend Grants Management and Oversight Unit Strategic Management to review if existing procedures are in-place to corroborate or document the allocation and changes in project revenue streams such as the Lease Revenue and FAST/CMAQ funds in fiscal years, 2020/2021 and 2021/2022. **Update: Closed as of January 2020.**	6/30/2019	12/31/2019
13	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Change	2	We recommend Operations management ensure that Division Staff require Operators to provide a signed VCB request form to prevent the VCB from being erroneously recorded as OCB. **Update: Management responded that this will be resolved by the fix to resolve recommendation #4, but the underlying problem requires a change in manual procedures. MAS is following up with Operations to determine whether and how this has been resolved.**	9/30/2019	12/31/2019
14	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Change	5	We recommend Operations management immediately perform all the needed corrections for underpayments and overpayments for all LIP eligible hours from July 1, 2017 to date.	12/31/2019	
15	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Change	6	We recommend Operations management, after completing recommendation number 5 above, partner with ITS to perform periodic true ups to determine any over/underpayment, and submit required corrections to Payroll regularly and in a timely manner until calculations can be automated.	12/31/2019	
16	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Change	7	We recommend Operations management reinforce the training with the Division Staff to properly record all LIP eligible hours and pay codes including special conditions for non-certified Line Instructors.	12/31/2019	
17	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Change	8	We recommend Operations management collaborate with ITS, in consultation with Employee and Labor Relations, to assess possibilities to automate LIP calculations and reporting as practical in either HASTUS or the Payroll system.	12/31/2019	

Any findings that have not been corrected 90 days after the due date are reported as late.

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
	**Open Audit Recommendations as of December 31, 2019**					

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
18	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Change	12	We recommend Operations management immediately partner with ITS department in determining any underpayments due to fallback hours, and make timely corrections necessary for all holidays starting May 2018 to date. **Update: Management prepared a worksheet of underpayment corrections and provided it to MAS for review in October 2019. MAS review is pending receipt of reference data to confirm this. These corrections are expected to be finalized and submitted to Payroll.**	9/30/2019	12/31/2019
19	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	1	We recommend that Emergency Management should coordinate with Payroll to facilitate training and add the additional details to Finance (Payroll)'s COOP and SOPs, including criteria for COOP activation and relocation decisions, flow charts, decision trees and step-by-step instructions.	2/28/2021	
20	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	2	We recommend that Emergency Management should coordinate with Payroll to create an SOP template to include names, titles and contact details (phone numbers and emails) for all continuity personnel, such as the CMG, key continuity positions and successors. Advance team references should state "provided by ITS".	7/31/2020	
21	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	3	We recommend that Emergency Management should coordinate with Payroll to review and assess the COOP and SOPs annually and verify that any resulting updates are implemented.	7/31/2020	
22	Systems Security and Law Enforcement	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	4	We recommend that Emergency Management should coordinate with Payroll to schedule COOP execution training by an emergency management expert concurrently with each annual COOP update.	7/31/2020	
23	Finance & Budget	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	5	We recommend that Payroll management update the SOP contact details as requested by Emergency Management on a periodic basis, e.g., quarterly or semi-annually, or when Accounting Administration issues a revised organization chart with changes to Payroll key personnel.	7/31/2020	
24	Finance & Budget	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	6	We recommend that Payroll management add language for the roster of trained personnel (Appendix E): "ITS will assign personnel at the backup site".	8/30/2020	

Any findings that have not been corrected 90 days after the due date are reported as late.

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
		Open Audit Recommendations as of December 31, 2019				
25	Finance & Budget	18-RSK-P02 Performance Audit of Finance (Payroll)'s Continuity of Operations Plan	7	We recommend that Payroll management consolidate all the COOP-related SOP information into one document. The existing COOP-related SOPs should be referenced and attached as appendices to Finance (Payroll)'s COOP, and SOPs under development should be referenced to and attached as they are completed.	7/31/2020	
26	Operations	19-OPS-P02 Performance Audit of the Rail Communications Systems	12 Total	The recommendations included in this report address findings in Metro's Operational System.		
27	Operations	19-OPS-P03 Performance Audit of the SCADA Security Controls	13 Total	The recommendations included in this report address findings in Metro's Operational System.		

Any findings that have not been corrected 90 days after the due date are reported as late.

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				OIG Open Audit Recommendations as of December 31, 2019		
1	Operations	17-AUD-04 Review of Metro Safety Culture and Rail Operational Safety	13 Total	The 117 recommendations included in this report address findings in Safety Culture, Red Signal Violations, Safety Assessment of Infrastructure Elements, Technology, Operations and Maintenance, Human Resources, and etc. **Update: As of January 2020, 108 of 117 recommendations were closed.**	Pending	
2	Operations	18-AUD-03 Review of Metro Rail Service Disruptions	9	Set priorities based on Metro's asset assessment as soon as it is completed to reduce delay incidents.	6/30/2019	12/31/2019
3	Operations	18-AUD-03 Review of Metro Rail Service Disruptions	25	Consider converting some P2000 cars running on the MBL/Expo lines back to the MGL operation if the ATO/ATP packages removed earlier are still available. The critical float will be the P2000 MGL cars with their line specific ATO/ATP equipment.	12/31/2020	
4	Operations	18-AUD-03 Review of Metro Rail Service Disruptions	52	Establish a process and a criterion for replacement of existing signal installations that includes useful life of installation, failure rate, obsolescence, service needs, and available funding. While the Metro asset inventory will provide an important resource to this end when it is finished, this system of prioritization should be formalized and implemented in current signal procedures.	6/30/2019	4/30/2020
5	Operations	18-AUD-03 Review of Metro Rail Service Disruptions	57	Establish a process and a criterion for replacement of existing traction power equipment that includes useful life of installation, failure rate, obsolescence, service needs, and available funding. While the Metro asset inventory will provide an important resource when it is finished, this system of prioritization should be formalized and implemented in current signal procedures.	6/30/2019	4/30/2020
6	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	1	Increase marketing to specific audience groups to increase ridership by developing additional marketing programs directly aimed at user groups such as students, business and government entities, and employees "Live Near Your Work" campaigns.	12/31/2019	
7	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	2a	Coordinate with other LA County public agencies to encourage additional use of public transit and participation in rideshare programs, including maximizing allowable transit subsidies over parking subsidies. For example, the City of LA could increase its monthly transit subsidy to be more in line with monthly transit costs.	12/31/2019	

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				OIG Open Audit Recommendations as of December 31, 2019		
8	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	2b	Coordinate with other LA County public agencies to encourage additional use of public transit and participation in rideshare programs, including maximizing allowable transit subsidies over parking subsidies. For example, the County of LA could expand its current commuter programs to provide employees subsidies for using public transit/rideshare for commute trips for all County work locations at a monthly rate closer to actual costs.	12/31/2019	
9	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	3	Explore modifications to Metro's Employer Annual Pass Program to further encourage transit usage, such as the addition of a monthly pass option.	12/31/2019	
10	Communications	18-AUD-04 Increasing Public Transit and Rideshare Use Study	5	Encourage use of public transit at meetings and events where contractors will be present.	12/31/2019	
11	Operations	19-AUD-07 OIG Spot Check - Bus Operator Battery Reset Practices	1	We recommend that Operations Management continue to communicate to bus operators and controllers on a regular basis that the practice of bus operators performing battery shutdowns has ceased.	11/30/2019	
12	Operations	19-AUD-07 OIG Spot Check - Bus Operator Battery Reset Practices	2	We recommend that Operations Management continue to assess and provide the resources required to minimize transit customer delay time given that the battery reset process did fix some operational problems.	11/30/2019	
13	Operations	19-AUD-07 OIG Spot Check - Bus Operator Battery Reset Practices	3	We recommend that Operations Management continue to study what circumstances cause bus field repairs and what specifications might be included in future procurements for systems and devices used in buses to reduce breakdowns and improve bus performance.	11/30/2019	
14	Operations	19-AUD-07 OIG Spot Check - Bus Operator Battery Reset Practices	4	We recommend that Operations Management consider the engineering adjustments necessary for improved safety of operators or others associated with battery resets that might occur by operators regardless of the new guidelines to cease operator battery resets.	11/30/2019	
15	Operations	19-AUD-07 OIG Spot Check - Bus Operator Battery Reset Practices	5	We recommend that Operations Management consider if battery hatches should be locked the way hatches inside the buses are to prevent unauthorized access.	11/30/2019	
16	Operations	19-AUD-07 OIG Spot Check - Bus Operator Battery Reset Practices	6	We recommend that Operations Management consider if further research on what circumstances or problems are corrected by a soft software reset versus a full battery reset, if it is possible to mitigate risks for software diagnostic damages in the event of a battery reset, and if considering the time it takes for a mechanic to arrive, it might be more efficient to allow the performance of the appropriate reset in those cases.	11/30/2019	

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				OIG Open Audit Recommendations as of December 31, 2019		
17	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	1	Metro should continue to install the bus operator safety barriers and onboard camera and monitor systems throughout its bus fleet and continue to monitor incident data to further verify the effectiveness of both systems in preventing assaults on bus operators.	10/31/2019	
18	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	2a	Metro should ensure data collection is standardized by Metro and all transit security providers and investigators to consistently identify the types of assaults that have occurred, if the bus was equipped with a safety barrier, if the barrier was in use at the time of the assault, and if in use, how it was being used (i.e., top portion only, bottom portion only, or both portions). Standardizing the data in this manner will result in more accurate and consistent data that can be more easily analyzed to identify trends and to measure performance.	10/31/2019	
19	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	2b	Metro should ensure data is collected on the type and extent of injuries incurred by bus operators when the safety barriers are in use. This will further aid in determining the effectiveness of the safety barriers (i.e., if bus operator injuries are lessened as a result of the barriers being used) and if design changes or modifications are necessary.	10/31/2019	
20	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	3	Metro should ensure that assault trend analysis results are used to review current policing and fare enforcement strategies to determine if law enforcement, Supervisors, and fare enforcement personnel and strategies are being appropriately deployed toward the routes and times of day in most need of Police, Supervisory, or fare enforcement presence.	10/31/2019	
21	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	4a	Metro should make the use of the barriers mandatory until Metro can determine if their use contributes to or causes accidents or increases accident frequency. Mandatory use of the barriers is the best way to evaluate their true effectiveness in reducing assaults on bus operators.	10/31/2019	
22	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	4b	If the use of the barriers is made mandatory, Metro should collect data to substantiate and study the issues identified by operators as to why they do not use the barriers. Metro can then take corrective action, such as design changes and modifications to the barriers, if accident/incident data substantiate operator concerns.	10/31/2019	
23	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	5a	Metro should further study why bus operators feel the bus safety barriers do not provide the protection needed to make them feel more secure and the other measures bus operators would like to see implemented.	10/31/2019	
24	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	5b	Evaluate the current design of the safety barriers to determine if bus operators' concerns can be addressed through design changes and modifications made to the safety barriers.	10/31/2019	

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				OIG Open Audit Recommendations as of December 31, 2019		
25	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	5c	Create a committee comprised of bus operators, Supervisors and Managers, Safety Department, and Bus Operations and Bus Maintenance personnel to investigate these issues and to determine appropriate mitigations. The focus of the committee should include an effort to increase barrier use, identify ways to make the barriers more effective, and evaluate training, and improve data collection and accuracy. Metro could also consider utilizing an existing committee to take on this action, if one has already been established for investigating possible safety issues with systems and equipment.	10/31/2019	
26	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	6a	Metro should review safety barrier and de-escalation training to evaluate scope of attendees, frequency, content, method of delivery, consistency of delivery, and employee engagement and understanding. Results from these evaluations should be used to modify training programs as necessary.	10/31/2019	
27	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	6b	Consider adding both training classes as part of the new hire training course and periodic refresher training for current operators along with any other ongoing training requirements.	10/31/2019	
28	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	7a	Metro should continue to follow its current strategies and implement its current programs to prevent assaults on bus operators. These programs are consistent with industry best practices.	10/31/2019	
29	Operations	19-AUD-08 Bus Operator Safety Barrier Use and Effectiveness Study	7b	Consider using some of the evaluation tools developed by TCRP to identify in more detail where its greatest risks reside and employ tactics such as targeted fare enforcement and policing patrols to address problem areas using existing resources.	10/31/2019	
30	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	1	The Metro SSLE Department should continue to work with contract law enforcement agencies to improve the complete and accurate reporting of crime that occurs on the Metro System.	Pending	
31	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	2	The Metro SSLE Department should continue to work to develop a more macro approach to oversight and monitoring of contracted law enforcement resources using the GPS function of the Mobile Phone Validators (MPV) assigned to contracted law enforcement personnel and the data generated from them.	Pending	
32	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	3	The Metro SSLE Department should consider providing more detailed information on reported crime to distinguish between violent crime and property and petty crime.	Pending	

				OIG Open Audit Recommendations as of December 31, 2019		
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
33	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	4	The Metro SSLE Department should collect and report response time information for all three categories of calls for service.	Pending	
34	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	5	The Metro SSLE Department should use the GPS function and data generated to provide reliable and meaningful information on the amount of time contracted law enforcement officers spend on various parts of the Metro System.	Pending	
35	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	6	The Metro SSLE Department should work with the contract law enforcement agencies to review, revise and adopt Key Performance Indicators (KPI) including baseline or target levels of performance for each KPI.	Pending	
36	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	7	The Metro SSLE Department should continue to develop the Metro Community Policing plan and ensure it includes: Specific training in Problem Oriented Policing for law enforcement personnel to assist Metro in addressing matters related to crime and disorder, Attendance at community meetings and other events designed to foster Metro's relationship with the community Protocols to obtain feedback from bus and rail managers that will be used in the overall policing strategy.	Pending	
37	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	8a	LAPD should continue monitoring the contract requirements to ensure all personnel meet the required certification and complete the transit policing training before working on any Metro assignments.	Pending	
38	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	8b	Metro SSLE Department should continue monitoring the contract requirements for qualifications and training of personnel to ensure compliance.	Pending	
39	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	9a	LAPD should submit the required payroll records with the monthly invoice.	Pending	
40	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	9b	Metro should continue to monitor LAPD's billings to ensure all the required supporting documents are submitted with the invoices.	Pending	
41	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	10a	LAPD should submit the list of maximum fully burdened hourly rates for each labor classification for overtime in accordance with the contract requirements. Also, the escalation rate included in the calculation of the maximum fully burdened hourly rates should not exceed the maximum escalation rate stipulated in the contract.	Pending	

				OIG Open Audit Recommendations as of December 31, 2019		
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
42	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	10b	Metro SSLE Department should work with LAPD to ensure that the list of maximum fully burdened hourly rates complied with the contract requirements. Metro should also review the billing rates for overtime for all invoices to determine the extent of overbillings for FY 2018.	Pending	
43	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	11a	LAPD should submit the list of maximum fully burdened hourly rates for all labor classifications in accordance with the contract requirements. For any additional labor classifications not identified in the list of maximum fully burdened hourly rate, LAPD should submit a revised list to Metro for approval prior to incurring the cost.	Pending	
44	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	11b	Metro SSLE Department should continue to monitor LAPD's billings to ensure only the approved labor classifications are billed and included in the list of maximum fully burdened hourly rates. Metro should also review the billing rates for straight time for all invoices to determine the extent of overbillings.	Pending	
45	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	12a	LAPD should return the overbilled and overpaid amount of $3,874.99 to Metro.	Pending	
46	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	12b	Metro SSLE Department should continue monitoring LAPD's billings to identify and resolve billing discrepancies.	Pending	
47	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	13a	LAPD should submit the prevailing Cost Allocation Plan (CAP) rate together with the list of maximum fully burdened hourly rates for overtime.	Pending	
48	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	13b	Metro SSLE Department should continue to monitor LAPD's billings to ensure the overtime overhead rate billed was based on the CAP overhead rate approved by the Federal Government in effect at the time the work was performed.	Pending	
49	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	14a	LAPD should submit to Metro in a timely manner the monthly Summary of Problem-Oriented Policing projects.	Pending	
50	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	14b	Metro's SSLE Department should continue to monitor LAPD's submission of reports and stamp the date received on reports to ensure all the required reports are submitted in a timely manner and with complete information to allow Metro to determine the calculation of the reported figures.	Pending	

				OIG Open Audit Recommendations as of December 31, 2019		
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
51	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	15a	LAPD should provide the equipment in the quantities listed in Exhibit E of the contract.	Pending	
52	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	15b	Metro SSLE Department should continue to monitor LAPD's equipment to ensure the quantities listed in Exhibit E of the contract are properly provided and in a timely manner.	Pending	
53	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	16a	LASD should continue monitoring the contract requirements to ensure all personnel complete the safety training and transit policing training before working on any Metro assignments.	Pending	
54	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	16b	Metro SSLE Department should continue monitoring the contract requirements for qualifications and training of personnel to ensure compliance with the contract.	Pending	
55	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	17a	LASD should issue an additional credit amount of $1,699.68 to Metro.	Pending	
56	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	17b	Metro SSLE Department should continue monitoring LASD's billings to ensure each job position meet the service levels promised on Form 575 and the billing rates are in compliance with the contract.	Pending	
57	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	18a	LASD should submit to Metro in a timely manner the report for number of cases referred for follow-up investigation and the subsequent disposition.	Pending	
58	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	18b	Metro SSLE Department should work with LASD to resolve any issues regarding the required reports. Also, Metro should continue monitoring LASD's submission of reports to ensure all the required reports were submitted in a timely manner and with complete information to allow Metro to determine the calculation of the reported figures.	Pending	
59	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	19a	LBPD should continue monitoring the contract requirements to ensure all personnel have completed the transit policing training before working on any Metro assignments.	Pending	
60	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	19b	Metro SSLE Department should continue monitoring the contract requirements for qualifications and training of personnel to ensure compliance.	1/31/2020	
61	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	20a	LBPD should inform Metro the amount expected to exceed the estimated cost specified in the contract for each year before incurring the costs.	Pending	

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				OIG Open Audit Recommendations as of December 31, 2019		
62	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	20b	Metro SSLE Department should continue monitoring LBPD's billings, payments and contract amount to ensure that costs do not exceed the contract amount.	Pending	
63	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	21a	LBPD should submit the daily summary of assignments for all hours worked and payroll records with the invoices.	Pending	
64	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	21b	Metro SSLE Department should continue monitoring LBPD's billings to ensure all the required supporting documents were submitted with the invoices.	Pending	
65	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	22a	LBPD should return to Metro the overbilled and overpaid amount of $14,643.89.	Pending	
66	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	22b	Metro SSLE Department should continue to monitor LBPD's billings to ensure only the approved labor classifications are billed and included in the list of maximum fully burdened hourly rates. Metro should also review the billing rates for all invoices to determine the extent of overbillings for FY2018.	Pending	
67	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	23	Metro SSLE Department should review the billing methodology specified in the contract for equipment cost and determine whether the contract should be revised.	Pending	
68	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	24	Metro SSLE Department should continue monitoring LBPD's submission of reports to ensure all the required reports are submitted in a timely manner and with complete information to allow Metro to determine the calculation of the reported figures.	Pending	
69	Systems Security and Law Enforcement	19-AUD-10 Metro Security Performance Review Fiscal Year 2018 Report	25	The SSLE Department should continue and complete efforts to develop key performance indicators for Metro Security during FY 2019.	Pending	
70	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	1	Ensure the Gold Line Contractor only bills Metro for actual hours worked and require them to provide support for their invoiced hours for trash/vegetation and graffiti abatement services with their monthly invoices.	Pending	

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
				OIG Open Audit Recommendations as of December 31, 2019		
71	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	2	Require the Gold Line Metro PM to perform periodic spot checks to verify the crew members providing trash/vegetation and graffiti abatement services.	Pending	
72	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	3	Remind the Gold Line and Orange Line Contractors to request authorization from the Metro PMs before allowing crews to work holidays, as required by the contract, and instruct Metro PMs to only authorize payment for holidays if they had given pre-approval.	Pending	
73	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	4	Consider working with the Procurement Department to modify the Gold and Orange Line contracts to include the Day After Thanksgiving as a Metro-observed holiday to the requirements and ensuring any future contracts address this issue.	Pending	
74	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	5	Require the Gold Line Contractor to cease the practice of using landscaping/irrigation staff assigned to Metro contracts to make up missed hours for the trash/vegetation and graffiti abatement staff at later dates.	Pending	
75	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	6	Request a refund from the Contractors for overpayments and unauthorized charges discussed in this report.	Pending	
76	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	7	Consider auditing invoices for the time before and after the three-month period covered by the OIG audit to determine if additional refunds are owed from the Gold Line Contractor for any overcharges or unauthorized charges.	Pending	
77	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	8	Instruct the Metro PM to periodically verify that the Gold Line Contractor is using TAGRS.	Pending	

Appendix D

				OIG Open Audit Recommendations as of December 31, 2019		
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
78	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	9	Consider working with the Procurement Department to modify the Gold Line contract to change the frequency of service for Gold Line's graffiti abatement services and trash/vegetation services.	Pending	
79	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	10	Ensure that the Gold Line Contractor submits a Payment Certification with their monthly invoice as required by the contract.	Pending	
80	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	11	Require the Gold Line Contractor's weekly/monthly reports to include the level of detail required by the contract.	Pending	
81	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	12	Require the Gold Line and Orange Line Contractors to submit monthly Efficiency and Compliance evaluations for the work crews as required by the contract.	Pending	
82	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	13	Request the Gold Line Contractor to remind their graffiti abatement team members to be diligent in looking for bulky items and graffiti paint-out jobs.	Pending	
83	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	14	Consider working with the appropriate department in charge of making decisions about signage on Metro properties and post a hotline number at the stations that the public can use to report graffiti or bulky items.	Pending	
84	Operations	20-AUD-02 Audit of the Graffiti/Landscaping/Trash Maintenance on the Gold and Orange Lines Right-of-Ways	15	On future requests for proposals, clarify whether supervision cost should be included as part of the fully burdened hourly rate for work crew members or require that proposals specify the number of hours and related hourly cost for supervision.	Pending	