



## Board Report

---

File #: 2020-0484, File Type: Informational Report

Agenda Number: 8.

---

### FINANCE, BUDGET AND AUDIT COMMITTEE AUGUST 19, 2020

**SUBJECT: MANAGEMENT AUDIT SERVICES FISCAL YEAR 2020 FOURTH QUARTER  
STATUS REPORT AND CUMULATIVE YEAR-END REPORT**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE Management Audit Services (MAS) FY 2020 fourth quarter status report and cumulative year-end report.

#### **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. This report provides Q4 activity for the period of April 1, 2020 through June 30, 2020; and cumulative FY 2020 year-end for the period of July 1, 2019 through June 30, 2020.

#### **BACKGROUND**

It is customary practice for Management Audit Services to deliver the status reports on the internal and external audit activities.

#### **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 independent 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 details of MAS activity are included in the Management Audit Services FY 2020 Fourth Quarter Status Report and Cumulative Year-End Report (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**

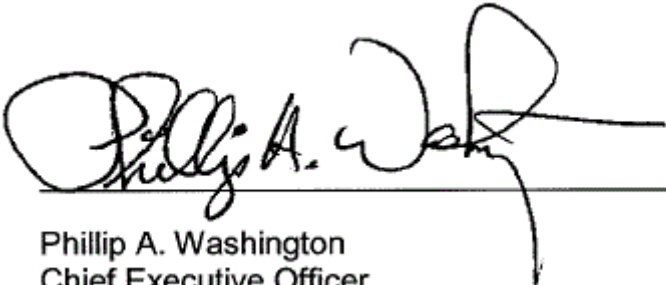
Management Audit Services will continue to report audit activity throughout the fiscal year.

### **ATTACHMENT**

Attachment A - FY2020 Fourth Quarter Status Report and Cumulative Year-End Report Matrix

Prepared by: Lauren Choi, Sr. Audit Director, Interim, (213) 922-3926  
Alfred Rodas, Sr. Audit Director, (213) 922-4553  
Monica Del Toro, Audit Support Manager, (213) 922-7494

Reviewed by: Shalonda Baldwin, Chief Auditor, Interim, (213) 418-3265



Phillip A. Washington  
Chief Executive Officer

**MANAGEMENT AUDIT SERVICES  
REPORT TO THE BOARD**

**Los Angeles County Metropolitan  
Transportation Authority**

***Fiscal Year 2020  
Fourth Quarter  
Status Report and  
Cumulative  
Year-End Report***



**Metro**

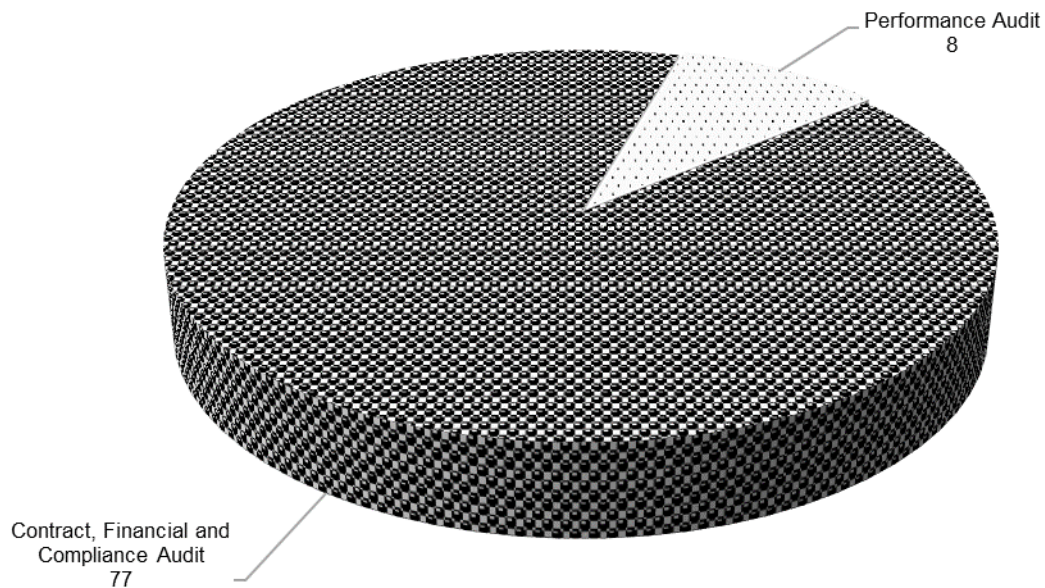
# *TABLE OF CONTENTS*

EXECUTIVE SUMMARY	
Summary of In Progress Audit Activity	1
Summary of Q4 Completed Audit Activity	2
Summary of Q4 Audit Activity by Department	3
PERFORMANCE AUDITS	
Performance Audit of SSLE's COOP	4
Performance Audit of Change Order Internal Controls	4
CONTRACT, FINANCIAL AND COMPLIANCE AUDITS	5
FINANCIAL AND COMPLIANCE AUDITS OF METRO	6
AUDIT SUPPORT	
Summary of Q4 Audit Follow-Up and Resolution	7
FY 2020 YEAR-END ACTIVITY	
Cumulative FY 2020 Audit Activity	8
Cumulative FY 2020 Audit Activity by Department	9
Department Highlights	10
SUMMARY TABLES	
Appendix A – Performance Audits in Progress	11
Appendix B – Performance Audits Completed	12
Appendix C – Contract, Financial and Compliance Audit Completed	13
Appendix D – Open Audit Recommendations	15
Appendix E – OIG Open Audit Recommendations	22

# *EXECUTIVE SUMMARY*

## Summary of In Progress Audit Activity

Management Audit Services (MAS) have 85 in progress projects as of June 30, 2020; which include 8 performance audits and 77 contract, financial and compliance audits. The in progress performance audits are listed in Appendix A.



There are 61 open audit recommendations as of June 30, 2020. In addition, there are 44 open OIG audit recommendations.

# *EXECUTIVE SUMMARY*

## Summary of Q4 Completed Audit Activity

Reporting period April 1, 2020 through June 30, 2020

MAS completed 28 projects and closed 52 recommendations. The projects comprised of two performance audits; 24 contract, financial and compliance audits; and two other audits issued by contracted independent certified public accountant firms. The breakdown is as follows:

### Performance Audits

- Performance Audit of System Security & Law Enforcement's (SSLE) Continuity of Operations Plan (COOP); and
- Performance Audit of Change Order Internal Controls.

### Contract, Financial and Compliance Audits

- Six (6) Independent Auditor's Reports on Agreed-Upon Procedures for the Cost Proposal for the Sepulveda Transit Corridor Environmental Review and Conceptual Engineering Project;
- Fifteen (15) Independent Auditor's Reports on Agreed-Upon Procedures for the Cost Proposal for the Crenshaw / LAX Northern Extension Transit Corridor Project;
- Independent Auditor's Report on Agreed-Upon Procedures of LKG-CMC, Inc.'s final indirect cost rates for fiscal year 2013 for the Regional Connector Transit Corridor Project;
- Independent Auditor's Report on Agreed-Upon Procedures for close-out incurred cost of the Port of Los Angeles' South Wilmington Grade Separation Project; and
- Independent Auditor's on Agreed-Upon Procedures for close-out incurred cost of City of Pasadena's Bus Purchase to Relieve Significant Overcrowding Project.

### Other Audits

- Two (2) other audits issued by external Certified Public Accountant (CPA) firms.

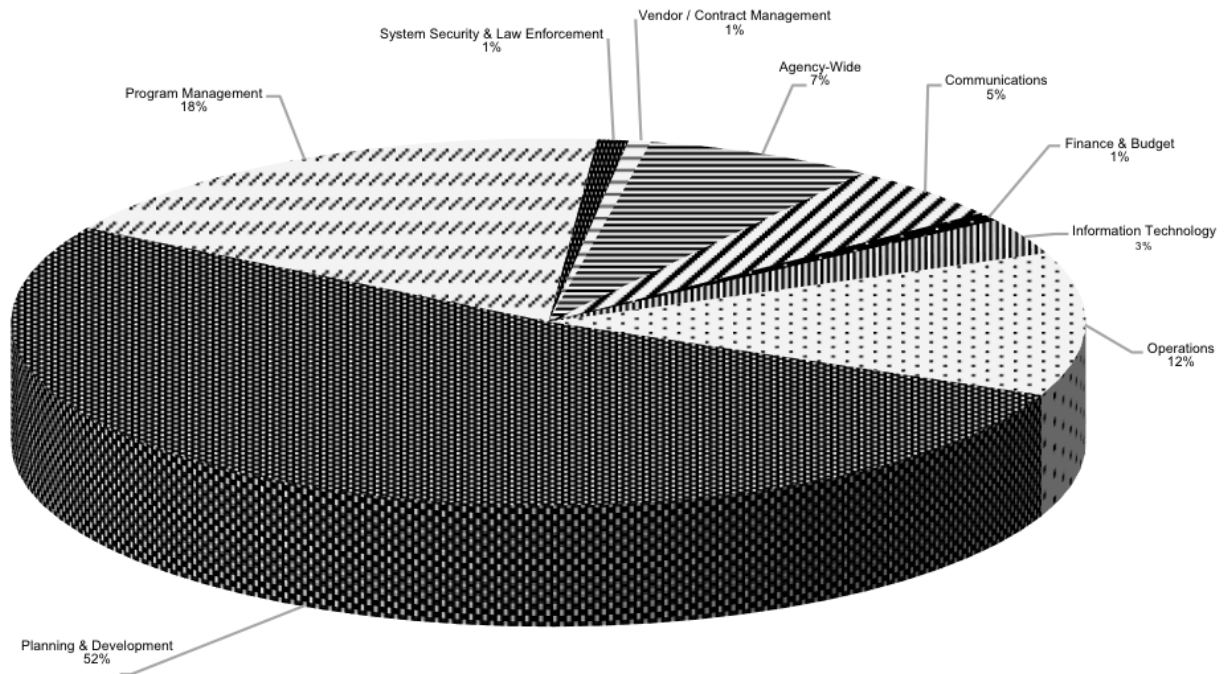
### Audit Follow-Up:

- Four (4) recommendations were closed. In addition, MAS supported in the closure of 48 OIG recommendations.

# EXECUTIVE SUMMARY

## Summary of Q4 Audit Activity by Department

Reporting period April 1, 2020 through June 30, 2020



# PERFORMANCE AUDITS

## Performance Audits:

### Performance Audit of System Security & Law Enforcement's (SSLE) Continuity of Operations Plan (COOP)

The audit objective was to evaluate the adequacy of System Security & Law Enforcement's (SSLE) COOP and Standard Operating Procedures (SOPs) to support SSLE's mission essential function during emergencies.

MAS found that SSLE does have a COOP which has been in place since October 2017 and that identifies security's primary mission essential functions. In addition, SSLE participates in annual live table-top exercises with Emergency Management. However, we noted that the SSLE COOP and SOPs need certain key information to efficiently and effectively continue SSLE's mission essential functions in the event of an emergency (e.g., equipped continuity facilities, activation criteria, key personnel contacts, etc.).

Management concurred with all recommendations and is implementing the corrective actions.

### Performance Audit of Change Order Internal Controls

The audit objectives were to determine 1) the extent of Vendor/Contract Management's (V/CM) compliance with policies and procedures; 2) the adequacy of the justification documentation for approving contract change orders/modifications and; 3) the extent of key information utilization for contract change orders/modifications; and to 4) identify best practices.

MAS found that Contract Administrators were generally in compliance with Vendor/Contract Management's policies and procedures. However, with regard to the adequacy of the justification documentation for approving change orders, we noted a need for improvement in one specific area and that was that Contract Administrators did not maintain documentation to explain differences of more than 5% between a final contract change order value and the Independent Cost Estimate (ICE). We also noted opportunities for improvement in three other areas.

Management concurred with all but two recommendations and is implementing the corrective actions.



## *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 24 contract, financial and compliance audits. MAS staff reviewed \$367 million of funds and identified \$17 million or 5% of funds that may be reprogrammed.

## *FINANCIAL AND COMPLIANCE AUDITS OF METRO*

Financial and compliance audits of Metro completed by external CPA firms include:

Access Services' Schedules of Revenues and Expenditures and Advanced Funds and Deferred Revenues – Issued March 2020

MAS contracted with Vasquez to complete the Independent Auditor's Report on Schedules of Revenues and Expenditures of Access Services for the years ended June 30, 2019 and 2018 and Schedules of Advanced Funds and Deferred Revenues as of June 30, 2019 and 2018. Vasquez found that the Schedules present fairly and in accordance with accounting principles generally accepted in the United States of America.

Access Services' Deferred Revenue Support – Issued April 2020

MAS contracted with BCA Watson Rice (BCA) to determine the total unused amount of the Deferred Revenue Support of Access Services (Access), if any, that should be returned to Metro or carried forward into a subsequent year's budget as per the Metro Memorandum of Understanding (MOU) for the fiscal year ended and as of June 30, 2018. BCA determined that the amount to be returned to Metro or available for budgetary needs in subsequent year(s) as stipulated in the MOU as of June 30, 2018 was \$11,780,986.

# *AUDIT SUPPORT*

## Summary of Q4 Audit Follow-Up and Resolution

Reporting period April 1, 2020 through June 30, 2020

The tables below summarize the audit recommendations and open recommendations. Details of open audit recommendations are included in Appendix D and E.

### MAS and External Audit Recommendations

Executive Area	Closed	Late	Extended	Not Yet Due/Under Review	Total Open
Communications	1				
Finance & Budget	1			3	3
Human Capital & Development			5		5
Operations	1		17	17	34
Program Management			1		1
Risk, Safety & Asset Management	1		1	3	4
Systems Security and Law Enforcement			6	3	9
Vendor/Contract Management			4	1	5
<b>Total</b>	<b>4</b>		<b>34</b>	<b>27</b>	<b>61</b>

### OIG Audit Recommendations

Executive Area	Closed	Late	Extended	Not Yet Due/Under Review	Total Open
Congestion Reduction				10	10
Human Capital & Development				10	10
Operations	8		2	7	9
Systems Security and Law Enforcement	40			15	15
<b>Total</b>	<b>48</b>		<b>2</b>	<b>42</b>	<b>44</b>

# *FY 2020 YEAR-END ACTIVITY*

## Cumulative FY 2020 Completed Audit Activity

Reporting period July 1, 2019 through June 30, 2020

MAS completed audit activity for the fiscal year reporting period consist of: 207 completed audit projects; 6 cancelled audit projects; and 157 closed audit recommendations.

### Completed Projects

The completed projects comprise of 55 issued by MAS and 152 issued by external CPA's firms as follow:

- 10 performance audits;
- 45 contract, financial and compliance audits with an audit value amount of \$426 million; of which \$22 million or 5% of identified unused funds that may be reprogrammed; and
- 152 financial and compliance audits (primary composition of legally mandated audits such as Prop A & C, Measure R, STA, TDA, NTD, and other funds distributed to the cities and County of Los Angeles).

A summary of the completed performance audit projects is provided in Appendix B and the completed contract, financial and compliance audit is provided in Appendix C.

### Cancelled Projects

The following projects were cancelled:

- Compliance Reviews of Subrecipient Maintenance Activities;
- Follow-up Audit of Information Security;
- Performance Audit of Key Information;
- Performance Audit of Low-Income Housing Targets / Goals; and
- Performance Audit of Position Reconciliation Process.

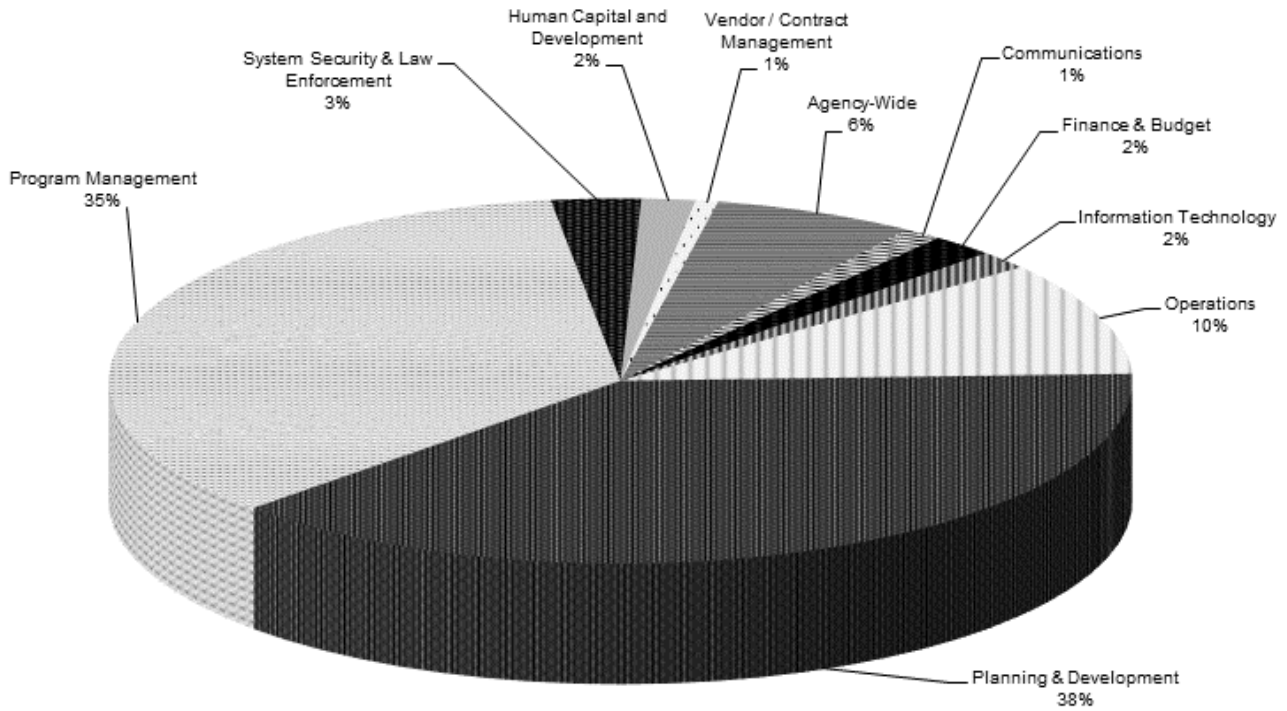
Several projects were cancelled during the year for a variety of reasons. For example, in some instances it was determined that management was already undertaking some significant initiative in the subject matter areas that would have made the audits a duplication of effort. In other instances, it was discovered that the timing of performing the audit was not ideal at this time, or management already had a strong awareness of what performance gaps existed in the program to be reviewed, making the need for an audit less pressing.

### Audit Follow-up

MAS closed 31 open recommendations during the fiscal year and provided administrative support for the closure of 126 OIG open recommendations.

# FY 2020 YEAR-END ACTIVITY

## Cumulative FY 2020 Audit Activity by Department Reporting period July 1, 2019 through June 30, 2020



# *FY 2020 YEAR-END ACTIVITY*

## Department Highlights

### Performance Audits

- Conducted a performance audit of a major provider of contracted bus services to Metro. The audit reviewed and identified opportunities for improvement by the contractor in the areas of maintenance, quality control, and driver safety and provided Metro's Chief Executive Officer and Board with assurance that safer and more reliable bus vehicles were being used by the contractor.
- Conducted audits of the Continuity of Operations Plans (COOPs) for the Payroll section of Finance as well as for the System Security and Law Enforcement Departments. The audits provided both departments with information to strengthen the COOPs, and Standard Operating Procedures (SOP) associated with the COOPs. These series of audits are designed to assess the adequacy of business units COOPs and SOPs.
- Performed audits of two key Operations technology platforms providing insights into the platform's functionality in comparison to best practice industry technology frameworks. These audits identified opportunities for greater collaboration among Metro departments and identified ways in which the information security processes related to these platforms could be enhanced to ensure greater management of information security and operational risks.

### Transitional Indirect Cost Rate (TICR) Policy and Pilot Program

MAS in concerted effort with Vendor / Contract Management updated the Transitional Indirect Cost Rate (TICR) Policy in March 2020 to expand the TICR pilot program to eligible firms for new firm-fixed price contract types. Under the revised TICR Policy eligible firms for new cost reimbursable and firm fixed contract types may submit TICR Participant Eligibility and Questionnaire Form(s) for consideration. As a result of the Policy expansion there have been four additional small business enterprises (SBE) enrolled in the pilot program.

### Audit Support Services

The Audit Support team initiated focused communication and engagement initiatives to further strengthen the department's ability to deliver value through partnership and trust in support of the Metro providing responsive and trustworthy governance. The focused initiatives comprised of the release of an internal survey to gather feedback and input from internal business partners and senior leadership; convening of an MAS work group focused on department enhancements; and the launch of strategic internal communications.

## Appendix A

Performance Audit - In Progress Audits as of June 30, 2020						
No.	Area	Audit Number & Title	Description	Frequency	Requirement	Estimated Date of Completion
1	Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering & Maintenance Training Phase 1	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	7/2020
2	Operations	20-OPS-P03 Performance Audit of Wayside Systems Engineering & Maintenance Training Phase 2	Review and evaluate the adequacy of the rail engineering & maintenance technical, safety, and mandated training provided to Wayside Track, Signal and the Traction Power units.	First Time	Per FY19 Audit Plan	7/2020
3	Operations	20-OPS-P04 Performance Audit of Contract Compliance for Parkwood Maintenance Contracts	Determine Parkwood's compliance and required performance with contractual terms and conditions for select areas for the period from November 15, 2015 (contract inception) to October 30, 2019.	First Time	Special Request	8/2020
4	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	10/2020
5	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	11/2020
6	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 FY20 Audit Plan	11/2020
7	Operations	20-OPS-P02 Follow up Audit of Contracted Bus Services Project Management	Evaluate if prior Contracted Bus Service Project Management corrective actions were implemented.	2nd Time; Last Audit 4 years ago	Per FY20 Audit Plan	11/2020
8	Operations / Risk, Safety / Environmental Compliance	20-OPS-P01 Performance Audit of Personal Protective Equipment for Maintenance	Determine the 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 FY20 Audit Plan	4/2021

## Appendix B

Performance Audit - Audits Completed During FY20						
No.	Area	Audit Number & Title	Description	Frequency	Requirement	Date of Completion
1	Finance & Budget	18-RSK-P02 - Performance Audit of Finance (Payroll)'s Continuity of Operations Plan (COOP)	Evaluate the adequacy of Finance (Payroll)'s COOP and Standard Operating Procedures (SOPs) to support Payroll's mission essential function during emergencies.	2nd Time; Last Audit 9 years ago	Per FY18 Audit Plan	7/2019
2	Operations	19-OPS-P04 - Contracted Bus Services	Determine compliance with contract requirements as it relates to bus maintenance, quality control and driver safety of MV Transportation Inc.	First Time	Special Request	8/2019
3	Vendor/Contract Management	19-VCM-P01 - Compliance Audit of Business Interruption Funds	Evaluate Business Interruption Fund's compliance with administrative guidelines, and fund and disbursement procedures.	3rd Time; Annual Audit	Per FY19 Audit Plan	10/2019
4	Systems Security and Law Enforcement	19-SEC-P01 - Agreed-Upon Procedures over Assets Purchased by Metro for Los Angeles Sheriff's Department (LASD) Contracts	Verify the existence, location, condition and use of assets, final disposition of retired assets and disposal proceeds, and completeness and accuracy of LASD's and Metro's records of these assets.	First Time	Per FY19 Audit Plan	11/2019
5	Operations	19-OPS-P02 - Performance Audit of Rail Communication Systems	Determine the adequacy of the security controls over Rail Communication network system for Rail Operations Control equipment, including but not limited to the firewall and password policies; logical security of remote sites; protocol including criteria and guidelines used to protect the network; rail communication systems redundancy; change management process, and incident response process.	First Time	Per FY19 Audit Plan	11/2019
6	Operations	19-OPS-P03 - Performance Audit of SCADA Security Controls	Determine the adequacy of the security controls for the SCADA Systems, including but not limited to the new virtualized SCADA server/workstations for Rail Operations Control Room (ROC) equipment, logical and physical security of remotes for external remote connection, and other additional areas as deemed necessary.	2nd Time; Last Audit 7 years ago	Per FY19 Audit Plan	11/2019
7	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	1/2020
8	Operations	16-OPS-P03 - Performance Audit of Accident Prevention Program	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	2/2020
9	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	4/2020
10	Vendor/Contract Management	17-VCM-P02 Performance Audit of Change Order Internal Controls	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	6/2020



## Appendix C

Contract, Financial and Compliance Audit - Audits Completed During FY20						
No.	Area	Audit Number & Type	Auditee	Frequency	Requirement	Date Completed
1	Program Management	17-CON-A34 - Agreed-Upon Procedures	Cogstone Resource Management, Inc.	Once	V/CM Policy and Contract Terms	7/2019
2	Program Management	19-CON-A22 - Agreed-Upon Procedures	Ted Tokio Tanaka Architects	First Time	V/CM Policy and Contract Terms	7/2019
3	Operations	19-OPS-A02 - Agreed-Upon Procedures	New Flyer of America, Inc.	Once	V/CM Policy and Contract Terms	7/2019
4	Program Management	18-CON-A13 - Agreed-Upon Procedures	Advantec Consulting Engineers, Inc.	Once	V/CM Policy and Contract Terms	8/2019
5	Planning & Development	17-PLN-A16A - Agreed-Upon Procedures	Ramboll Environ	Once	V/CM Policy and Contract Terms	8/2019
6	Program Management	19-CON-A23 - Agreed-Upon Procedures	Ted Tokio Tanaka Architects	2nd Time	V/CM Policy and Contract Terms	8/2019
7	Planning & Development	17-PLN-A20 - Agreed-Upon Procedures	Grimshaw Architects, P.C.	First Time	V/CM Policy and Contract Terms	8/2019
8	Planning & Development	20-PLN-A06 - Agreed-Upon Procedures	Advanced Civil Technologies, Inc.	Once	V/CM Policy and Contract Terms	9/2019
9	Planning & Development	20-PLN-A05 - Agreed-Upon Procedures	WKE, Inc.	Once	V/CM Policy and Contract Terms	9/2019
10	Planning & Development	20-PLN-A03 - Agreed-Upon Procedures	Michael Baker International, Inc.	Once	V/CM Policy and Contract Terms	9/2019
11	Planning & Development	17-PLN-A32 - Closeout	Gateway Cities Council of Governments	Once	Per Project Manager's request and MOU. P0007193	10/2019
12	Planning & Development	18-HWY-A12 - Closeout	County of Los Angeles	Once	Per Project Manager's request and MOU. MR312.16	11/2019
13	Program Management	19-CON-A01 - Agreed-Upon Procedures	ILF Consultants, Inc.	Once	V/CM Policy and Contract Terms	12/2019
14	Program Management	19-CON-A09 - Agreed-Upon Procedures	LKG-CMC, Inc.	Once	V/CM Policy and Contract Terms	12/2019
15	Planning & Development	17-PLN-A17A - Agreed-Upon Procedures	Civil Works Engineers	Once	V/CM Policy and Contract Terms	1/2020
16	Planning & Development	17-PLN-A17B - Agreed-Upon Procedures	Civil Works Engineers	Once	V/CM Policy and Contract Terms	1/2020
17	Planning & Development	17-PLN-A17C - Agreed-Upon Procedures	Civil Works Engineers	Once	V/CM Policy and Contract Terms	1/2020
18	Planning & Development	17-PLN-A17D - Agreed-Upon Procedures	Civil Works Engineers	Once	V/CM Policy and Contract Terms	1/2020
19	Planning & Development	19-HWY-A03 - Closeout	City of Glendale	Once	Per Project Manager's request and MOU.MR310.16 terms	1/2020
20	Planning & Development	19-PLN-A17 - Closeout	City of Torrance	Once	Per Project Manager's request and FA. 920000000F3312 terms	2/2020
21	Planning & Development	19-HWY-A12 - Closeout	City of Glendale	Once	Per Project Manager's request and MOU.310.17 terms	3/2020
22	Planning & Development	19-PLN-A09 - Closeout	The Port of Los Angeles	Once	Per Project Manager's request and MOU.P00F1199 terms	4/2020

## Appendix C

Contract, Financial and Compliance Audit - Audits Completed During FY20						
No.	Area	Audit Number & Type	Auditee	Frequency	Requirement	Date Completed
23	Planning & Development	20-PLN-A28 - Agreed-Upon Procedures	D'Leon Consulting Engineers Corp.	Once	V/CM Policy	5/2020
24	Planning & Development	20-PLN-A21 - Agreed-Upon Procedures	AECOM Technical Services, Inc.	Once	V/CM Policy	5/2020
25	Planning & Development	20-PLN-A22 - Agreed-Upon Procedures	Terry A. Hayes Associates Inc.	Once	V/CM Policy	5/2020
26	Planning & Development	20-PLN-A23 - Agreed-Upon Procedures	HNTB Corporation	Once	V/CM Policy	5/2020
27	Planning & Development	20-PLN-A27 - Agreed-Upon Procedures	Conaway Geomatics	Once	V/CM Policy	5/2020
28	Planning & Development	20-PLN-A34 - Agreed-Upon Procedures	Suenram & Associates, Inc.	Once	V/CM Policy	5/2020
29	Planning & Development	20-PLN-A41 - Agreed-Upon Procedures	Intueor Consulting, Inc.	Once	V/CM Policy	5/2020
30	Planning & Development	20-PLN-A42 - Agreed-Upon Procedures	Jenkins/Gales & Martinez, Inc.	Once	V/CM Policy	5/2020
31	Planning & Development	20-PLN-A39 - Agreed-Upon Procedures	Conaway Geomatics	Once	V/CM Policy	5/2020
32	Planning & Development	20-PLN-A51 - Agreed-Upon Procedures	Leighton Consulting, Inc.	Once	V/CM Policy	5/2020
33	Planning & Development	20-PLN-A43 - Agreed-Upon Procedures	Leland Saylor Associates, Inc.	Once	V/CM Policy	5/2020
34	Planning & Development	20-PLN-A49 - Agreed-Upon Procedures	V&A, Inc.	Once	V/CM Policy	5/2020
35	Planning & Development	20-PLN-A50 - Agreed-Upon Procedures	Vicus, LLC	Once	V/CM Policy	5/2020
36	Planning & Development	20-PLN-A47 - Agreed-Upon Procedures	MLA Green Inc.	Once	V/CM Policy	5/2020
37	Planning & Development	20-PLN-A44 - Agreed-Upon Procedures	MA Engineering	Once	V/CM Policy	5/2020
38	Planning & Development	20-PLN-A48 - Agreed-Upon Procedures	Suenram & Associates, Inc.	Once	V/CM Policy	5/2020
39	Planning & Development	20-PLN-A45 - Agreed-Upon Procedures	RAW International, Inc.	Once	V/CM Policy	5/2020
40	Planning & Development	20-PLN-A38 - Agreed-Upon Procedures	AECOM Technical Services, Inc.	Once	V/CM Policy	5/2020
41	Planning & Development	20-PLN-A40 - Agreed-Upon Procedures	Del Richardson & Associates, Inc.	Once	V/CM Policy	5/2020
42	Planning & Development	20-PLN-A46 - Agreed-Upon Procedures	Systems Consulting, LLC.	Once	V/CM Policy	5/2020
43	Planning & Development	20-PLN-A20 - Closeout	City of Pasadena	Once	Per Project Manager's request and FA92000000F9416 terms	6/2020
44	Planning & Development	20-PLN-A37 - Agreed-Upon Procedures	WSP USA, Inc.	Once	V/CM Policy	6/2020
45	Program Management	20-CON-A06 - Agreed-Upon Procedures	LKG-CMC, Inc.	Once	V/CM Policy and Contract Terms	6/2020

## Appendix D

Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
1	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4a	<p>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.</p> <p><b>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.</b></p>	6/30/2019	12/31/2020
2	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4b	<p>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.</p> <p><b>Update: Pending completion of recommendation 4a.</b></p>	6/30/2019	12/31/2020
3	Systems Security and Law Enforcement	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	1a	<p>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.</p> <p><b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b></p>	6/30/2020	12/31/2020

## Appendix D

Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
4	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	1b	<p>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.</p> <p><b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b></p>	10/30/2020	4/30/2021
5	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	2	<p>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.</p> <p><b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b></p>	4/30/2020	10/31/2020
6	Vendor/Contract Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	3	<p>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.</p> <p><b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b></p>	7/31/2020	1/31/2021
7	Program Management	18-RSK-P01 Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	4	<p>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.</p> <p><b>Update: Metro is negotiating Essential Use designation with SCE, DWP &amp; CPUC as a basis for utility emergency service agreements.</b></p>	3/31/2020	11/30/2020

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

## Appendix D

Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
8	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. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b>	10/30/2020	4/30/2021
9	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Changes	5	We recommend Operations management immediately perform all the needed corrections for underpayments and overpayments for all Line Instructor Premium (LIP) eligible hours from July 1, 2017 to date. <b>Update: Operations' staff prepared a partial LIP retroactive pay calculation; remaining paid calculation is still in progress.</b>	12/31/2019	9/30/2020
10	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Changes	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. <b>Update: ITS / Operations has implemented an automated fix however, a coding error was found which ITS is currently working with the vendor to fix.</b>	12/31/2019	9/30/2020
11	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Changes	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. <b>Update: ITS / Operations has implemented an automated fix however, a coding error was found which ITS is currently working with the vendor to fix.</b>	12/31/2019	9/30/2020
12	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Changes	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. <b>Update: ITS / Operations has implemented an automated fix however, a coding error was found which ITS is currently working with the vendor to fix.</b>	12/31/2019	9/30/2020

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

## Appendix D

Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
13	Operations	18-ITS-P01 Performance Audit of the HASTUS System – Implementation of Collective Bargaining Agreement Changes	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. <b>Update: The majority of the retroactive pay correction was processed in June 2020, however, a few payments are still outstanding.</b>	9/30/2019	3/31/2020
14	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	
15	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". <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b>	7/31/2020	1/29/2021
16	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. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b>	7/31/2020	1/29/2021
17	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. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b>	7/31/2020	1/29/2021
18	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	

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

## Appendix D

Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
19	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	
20	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	
21	Operations	19-OPS-P02 Performance Audit of the Rail Communications Systems	11 Total	The recommendations included in this report address findings in Metro's Operational System. <b>Update: As of July 2020, 2 of 12 recommendations was closed.</b>		
22	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. <b>Update: As of July 2020, 1 of 13 recommendations was closed.</b>		
23	Human Capital & Development	19-BEN-P01 Performance Audit of Benefit Eligibility	1	We recommend that the Pension and Benefits department management complete the update of their written HR policy to reflect the procedural changes already in effect as of January 1, 2019.	6/30/2020	9/30/2020
24	Human Capital & Development	19-BEN-P01 Performance Audit of Benefit Eligibility	2	We recommend that the Pension and Benefits department management reduce the possibility of human error occurring in the data entry/invoice preparation process for employee benefits by documenting review process procedures in the policy manual for (i) manual entries that are made into the PTSC/MTA and Carrier systems, (ii) monthly reconciliations for billing and (iii) regular periodic audits comparing PTSC/MTA system entries against Carrier systems, being performed.	6/30/2020	9/30/2020
25	Human Capital & Development	19-BEN-P01 Performance Audit of Benefit Eligibility	3	We recommend that the Pension and Benefits department management identify other techniques to further reduce the possibility of human error occurrence.	6/30/2020	9/30/2020
26	Human Capital & Development	19-BEN-P01 Performance Audit of Benefit Eligibility	4	We recommend that the Pension and Benefits department management develop an e-mail template that could be used to inform employees as inquiries are made, about what plan changes are allowable during mid-year, to supplement guidance already provided in the Benefits Enrollment Guides.	6/30/2020	9/30/2020
27	Human Capital & Development	19-BEN-P01 Performance Audit of Benefit Eligibility	5	We recommend that the Pension and Benefits department management develop a written procedure for properly communicating with employees if errors are made on plan change forms. The communication should be properly documented and retained in the employee's file.	6/30/2020	9/30/2020

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

## Appendix D

Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
28	Risk, Safety & Asset Management	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	2	We recommend that the Chief Risk, Safety & Asset Management Officer raise awareness of the Field Observation and Feedback (FOF) program. <b>Update: Before the COVID-19 pandemic, plans were in place to deploy an elevated campaign on the benefits of a robust FOF program and the importance of compliance. This effort will be re-started as soon as resources are again available.</b>	3/31/2020	9/30/2020
29	Risk, Safety & Asset Management	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	3	We recommend that the Chief Risk, Safety & Asset Management Officer develop additional input controls in the Transit Safe System, by designating required FOF form fields as mandatory, including Supervisors sign-off to review for accuracy of information, to prevent the close out of FOF records without completion of all required fields and to ensure quality of information is maintained.	7/31/2020	
30	Risk, Safety & Asset Management	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	4	We recommend that the Chief Risk, Safety & Asset Management Officer incorporate recommendation #3, above, in the upcoming replacement system of Transit Safe.	12/31/2021	
31	Operations	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	5	We recommend that the Chief Operations Officer continue the monitoring of staff compliance with the guidelines in Transportation Directive 12-004, Hard Time Suspensions, with any exceptions to this directive being explained and documented. <b>Update: Closed as of July 2020.</b>	2/28/2020	5/31/2020
32	Operations	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	6	We recommend that the Chief Operations Officer consider using a combination of leading and lagging indicators to evaluate the Accident Prevention Program's success.	7/31/2020	
33	Operations	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	7	We recommend that the Chief Operations Officer consider separate measures for avoidable and unavoidable accidents/incidents codes per division to properly evaluate the division's performance instead of measuring the division only on combined avoidable and unavoidable accident data.	7/31/2020	
34	Risk, Safety & Asset Management	16-OPS-P03 Performance Audit of Accident Prevention Practices in the Operations Department	8	We recommend that the Chief Risk, Safety & Asset Management Officer formally request the Transportation division management to consider allocating a meaningful and equitable Safety Incentive Budget for the Accident Prevention Program.	7/31/2020	

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



## Appendix D

Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
35	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	1	We recommend that Emergency Management collaborate with SS&LE to establish at least three new locations to accommodate emergency back-up SS&LE command centers. As a suggestion, not more than one facility should be close to Gateway Plaza. The other two should be far enough away from Gateway and from each other that there is little risk that a wide area emergency could affect all three locations. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b>	7/30/2020	1/29/2021
36	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	3	We recommend that Emergency Management should coordinate with SS&LE to facilitate training and add the additional details to the SS&LE COOP and SOPs, including criteria for COOP activation and relocation decisions, flow charts, decision trees and step-by-step instructions. <b>Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March, and are unavailable to assist V/CM.</b>	7/30/2021	
37	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	4	We recommend that Emergency Management should coordinate with SS&LE to create a Standard Operating Procedures 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; and reference and attach all COOP-related SOPs as Appendices to the COOP.	7/30/2020	1/29/2021
38	Systems Security and Law Enforcement	19-RSK-P01 Performance Audit of System Security & Law Enforcement's Continuity of Operations Plan	7	We recommend that Emergency Management should coordinate with SS&LE to schedule COOP execution training by an emergency management expert concurrently with each annual COOP update (See COOP Appendix M).	7/31/2021	
39	Vendor/Contract Management	17-VCM-P02 Performance Audit of Change Order Internal Controls	1	We recommend that Vendor / Contract Management consider providing supplemental guidance to ACQ-2 Manual Chapter 14-11 Change Orders J to define what is considered a "significant sum" when there is a difference between the negotiated price adjustment, Metro's Independent Cost Estimate, and the pre-negotiation position that must be explained.	12/31/2020	

## Appendix E

OIG Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
1	Operations	17-AUD-04 Review of Metro Safety Culture and Rail Operational Safety	7 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, etc. <b>Update: As of May 2020, 110 of 117 recommendations were closed.</b>	Pending	
2	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	12/31/2020
3	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	12/31/2020
4	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	1	We recommend that the General Services Department Management develop written policies and procedures covering the use of cable television services.	1/31/2021	
5	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	2	We recommend that the General Services Department Management develop a standard form to be completed by user departments for requesting and justifying the business purpose for cable television.	1/31/2021	
6	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	3	We recommend that the General Services Department Management develop a tracking system to document and monitor the user departments and location of cable television receivers and outlets.	1/31/2021	
7	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	4a	We recommend that the General Services Department Management work with the ITS Department to schedule and conduct a physical count to identify all active cable television lines (and their locations) at Metro's Gateway Building and departments that have cable television service. For departments that have a business need for cable television, require them to complete a request/approval form.	1/31/2021	
8	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	4b	We recommend that the General Services Department Management work with the ITS Department to schedule and conduct a physical count to identify all active cable television lines (and their locations) at Metro's Gateway Building and departments that have cable television service. Cancel any cable television services that cannot be identified to a department and/or has no business purpose.	1/31/2021	

## Appendix E

OIG Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
9	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	5	We recommend that the General Services Department Management cancel the internet service on sub-account 320469395; and if there is a legitimate business need for a separate internet account, direct the user department to request internet service under the ITS internet account with Spectrum.	1/31/2021	
10	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	6	We recommend that the General Services Department Management ensure that fees for cable television services are paid through the appropriate account (50504).	1/31/2021	
11	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	7	We recommend that the General Services Department Management consider working with Spectrum to eliminate all the sub accounts and create one account that includes only those active cable lines that have been identified as having a legitimate business purpose.	1/31/2021	
12	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	8	We recommend that the General Services Department Management research and determine if there are more effective and efficient methods available for providing cable television service in the Gateway building.	1/31/2021	
13	Human Capital & Development	20-AUD-04 Review of Controls Over Cable Television Services at Metro's Gateway Building	9	We recommend that the General Services Department Management consider placing labels on televisions that have cable service, stating "For Business Purpose Only: No appropriate content should be broadcasted."	1/31/2021	
14	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	1a	The Metro SSLE Department should significantly strengthen ongoing monitoring and oversight of compliance with the terms of the law enforcement services contracts.	Pending	
15	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	1b	The Metro SSLE Department should review billings and payments for all twelve months of FY 2019 since this audit focused on only two months.	Pending	
16	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	1c	The Metro SSLE Department should formally amend the terms.	Pending	
17	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	2	The Metro SSLE Department should develop an effective approach to monitoring and overseeing contracted law enforcement resources to ensure the resources Metro is paying for are actually present and providing services. This should be accomplished using the smartphones issued to contract law enforcement personnel and an app that uses these smartphones' location based services capabilities and a policy defining and requiring the use of the smartphones.	Pending	

## Appendix E

OIG Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
18	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	10a	LAPD should inform Metro of the amount expected to exceed the estimated cost specified in the contract for each year before incurring the costs.	Pending	
19	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	10b	Metro's SSLE Department should continue monitoring LAPD's billings, payments and contract amount to ensure that costs do not exceed the annual estimated contract amount.	Pending	
20	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	10c	Metro's SSLE Department should determine if it will be necessary to seek contract award adjustment approval from the Board if at Year 5, they have not recovered excess expenditures.	Pending	
21	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	12	Metro should review LAPD's billings and ensure that only actual hours worked are billed in compliance with the contract.	Pending	
22	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	13a	LAPD should return the overbilled and overpaid amount of \$789.88 to Metro.	Pending	
23	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	13c	Metro's SSLE Department should work with LAPD to review all invoices for FY 2019 for billings exceeding the allowable	Pending	
24	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	14	Metro's SSLE Department should monitor LAPD'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	
25	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	15a	LASD should inform Metro of the amount expected to exceed the estimated cost specified in the contract for each year before incurring the costs.	Pending	
26	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	15b	Metro's SSLE Department should continue monitoring LASD's billings, payments and contract amount to ensure that costs do not exceed the annual estimated contract amount.	Pending	
27	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	19a	LBPD should return to Metro the overbilled and overpaid amount of \$29,313.65.	Pending	
28	System Security and Law Enforcement	20-AUD-07 Fiscal Year 2019 Metro Transit Security Services Performance	19b	Metro should review the billing rates for all FY2019 invoices to determine the extent of overbilling for all of FY2019.	Pending	

## Appendix E

OIG Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
29	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	1	LA Metro FSP should coordinate with LA Metro's Risk Management Department to review and verify annually that each FSP Contractor is maintaining required minimum insurance coverage as required by the contract.	Pending	
30	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	2a	LA Metro FSP should work with LA Metro's Procurement Department to correct inconsistent contract terms in Section 4 and 16 concerning the retention period for Pre-Operation Inspection Reports/Forms and notify the Contractors of the changes.	Pending	
31	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	2b	LA Metro FSP should review Pre-Operation Inspection Forms on a regular basis to ensure Contractors properly complete and sign these forms for each FSP vehicle prior to leaving the yard, and that FSP service and forms are maintained on file for the required period.	Pending	
32	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	3	LA Metro FSP should review the maintenance reports/logs on a regular basis to ensure that the Contractors carry out the recommended preventative/scheduled maintenance on trucks, and information on maintenance logs is complete and in sufficient detail to document the maintenance performed.	Pending	
33	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	4	LA Metro FSP should review safety meeting documentation on a regular basis to ensure the Contractors hold monthly safety meetings and meetings are properly documented. <b>Updated: Closed as of July 2020.</b>	4/30/2020	
34	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	5	LA Metro should focus its efforts on ensuring a successful procurement for a new performance monitoring system. LA Metro should consider developing an RFP that includes a "base system" with the required core functionality to increase the likelihood of a bid within budget expectations. Optional tasks could be included in the RFP for additional functionality that is desired but is not essential. LA Metro may also consider working with other counties who have already developed a performance monitoring system to identify if there may be any cost savings associated with using the same system.	7/1/2020	
35	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	6	LA Metro FSP should set a target for its Benefit-to-Cost ratio, either in comparison to the statewide average or develop its own annual target. This is especially important as costs are expected to rise over the next several years as insurance and vehicle costs continue to escalate. If such the annual target is not met, it would trigger LA Metro FSP to conduct a deeper evaluation of its program and identify potential strategies to improve the following year's performance.	10/1/2020	

## Appendix E

OIG Open Audit Recommendations as of June 30, 2020						
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
36	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	7	LA Metro should develop a more detailed statement of the roles and responsibilities of LA Metro FSP staff to ensure compliance with contractual provisions. To that end, LA Metro FSP should consider developing a contract management manual ("Manual") that details each process necessary to hold contractors accountable for each contractual provision and what staff position is responsible and how that role is performed. Based on these assignments of responsibility, additional training may be required to ensure each person has the capacity to perform their responsibilities.	7/1/2020	
37	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	8	LA Metro FSP should consider developing a centralized database for file structure that holds all contract compliance and operating data related to each operator. This would make monitoring more effective, allow for better analysis and simplify reporting.	Pending	
38	Congestion Reduction	20-AUD-06 Review of LA Metro's Freeway Service Patrol Program	9	LA Metro FSP could strengthen its ability to enforce its two-beat limitation policy. We recommend that LA Metro consider including language within the agreements with tow companies that specifically prohibits a company from operating more than two beats or from having a controlling interest in another company that operates FSP tow trucks in LA County. This would include limitations on companies sharing drivers, offices, and other operation functions. This would give LA Metro more legal basis to pursue a fraudulent contractor.	Pending	