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Agenda - Final

Wednesday, January 19, 2022

1:30 PM

To give written or live public comment, please see the top of page 4

Finance, Budget and Audit Committee

Kathryn Barger, Chair
Paul Krekorian, Vice Chair
Mike Bonin
Fernando Dutra
Holly Mitchell
Tony Tavares, non-voting member

Stephanie Wiggins, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM   The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
d. Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at www.metro.net or on CD's and as MP3's for a nominal charge.

Live Public Comment Instructions:

Live public comment can only be given by telephone.

The Committee Meeting begins at 1:30 PM Pacific Time on January 19, 2022; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-251-2949 and enter
English Access Code: 8231160#
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

Instrucciones para comentarios publicos en vivo:

Los comentarios publicos en vivo solo se pueden dar por telefono.

La Reunion de la Junta comienza a las 1:30 PM, hora del Pacifico, el 19 de Enero de 2022. Puedes unirte a la llamada 5 minutos antes del comienso de la junta.

Marque: 888-251-2949 y ingrese el codigo
Codigo de acceso en ingles: 8231160#
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Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.
Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."
Email: BoardClerk@metro.net
Post Office Mail:
Board Administration
One Gateway Plaza
MS: 99-3-1
Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

14. **SUBJECT:** **ACCESS SERVICES - QUARTERLY UPDATE** [2021-0784](#)

<u>**RECOMMENDATION**</u>

RECEIVE AND FILE status report on Access Services - ADA Paratransit.

<u>Attachments:</u> [Presentation](#)

15. **SUBJECT:** **MANAGEMENT AUDIT SERVICES FY 2022 FIRST QUARTER REPORT** [2021-0692](#)

<u>**RECOMMENDATION**</u>

RECEIVE AND FILE the Management Audit Services (MAS) FY 2022 first quarter report.

<u>Attachments:</u> [Attachment A - FY 2022 First Quarter Report](#)

[Presentation](#)

SUBJECT: **GENERAL PUBLIC COMMENT** [2022-0005](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

<u>COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION</u>

Adjournment

Metro

Board Report

File #: 2021-0784, **File Type:** Informational Report

Agenda Number: 14.

FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 19, 2022

SUBJECT: ACCESS SERVICES - QUARTERLY UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on Access Services - ADA Paratransit.

ISSUE

This is a quarterly update on Access Services (Access).

BACKGROUND

Access is the Los Angeles County transit agency that provides paratransit services on behalf of Metro and 45 other fixed route operators, as mandated by the Americans with Disabilities Act (ADA). Eligibility for Access is based on a person's ability to utilize accessible fixed-route buses and trains in Los Angeles County; Access currently has 117,000 registered riders. Access' paratransit service is a next-day, shared-ride, curb-to-curb service with additional assistance available to qualified individuals. The service operates throughout most of the County of Los Angeles and is operated by six contractors in the following regions: Eastern, Southern, West Central, Northern, Santa Clarita and Antelope Valley. Access provides service to customers who are traveling between locations that are located within 3/4 of a mile of local bus routes and rail lines. Customers call Access' service providers directly to make trip reservations or can book trips online.

DISCUSSION

Recovering from the COVID-19 Pandemic

As of July 1, 2021, Access has been operating its pre-pandemic, next-day, shared-ride service model. Other developments of note include:

- On December 1, 2021, Access restarted its in-person eligibility process for new applicants only at its Eligibility Centers throughout Los Angeles County. Renewals will continue to be performed via a paper application and, if necessary, a phone interview.

- Global supply chain issues, particularly for vehicle computer chips, have led to substantial delays in vehicle deliveries to Access. In response, on December 13, 2021, the Access Board approved a Vehicle Major Component Reimbursement Policy and Budget Allocation using existing FY22 capital funds that will help Access' contractors maintain an aging fleet. This new policy will reimburse contractors for major component repairs on vehicles that have more than 250,000 miles.

- Qualified vehicle operators and other personnel continue to be in short supply in Los Angeles County and across the United States. The taxi industry, which provided 50 percent of Access' trips pre-pandemic, has now been slow to recover. Furthermore, many taxi operators who have returned have been more focused on serving Los Angeles International Airport (LAX) and other tourism hubs rather than providing paratransit trips.

Overall, Access' contractors have been working diligently to recruit and retain qualified employees and currently exploring partnerships with various Transportation Network Companies (TNCs) as well as other innovative partnerships as a way to build future capacity.

FY22 Operational Performance

In FY22, year to date, Access has provided 764,976 trips, which is approximately 1.2 percent more trips than projected. This is about 65.2 percent of the number of trips provided during the same pre-pandemic period.

The following Key Performance Indicators (KPIs) are to ensure that optimal and equitable levels of service are provided throughout the region. A year-to-date comparison of the main KPIs is provided below:

Key Performance Indicators	Standard	FY21	FY22 YTD*
On Time Performance	≥ 91%	92.6%	90.6%
Excessively Late Trips	≤ 0.10%	0.07%	0.06%
Excessively Long Trips	≤ 5.0%	0.5%	3.1%
Missed Trips	≤ 0.75%	0.36%	0.43%
Denials	0	4	2
Access to Work On Time Performance	≥ 94%	97.8%	96.8%
Average Hold Time (Reservations)	≤ 120	52	54
Calls On Hold > 5 Min (Reservations)	≤ 5%	2.2%	2.1%
Calls On Hold > 5 Min (ETA)	≤ 10%	1.5%	1.6%
Complaints Per 1,000 Trips	≤ 4.0	2.5	3.3
Preventable Incidents per 100,000 miles	≤ 0.25	0.15	0.20
Preventable Collisions per 100,000 miles	≤ 0.50	0.50	0.68

Miles Between Road Calls	≥ 25,000	64,040	65,019

*Statistical data through October 2021

While overall service remains strong and most KPIs are being met, the recent decline in On-Time Performance is a result of traffic returning to pre-pandemic levels and retaining qualified operators. The increase in Excessively Long Trips while well below standard, reflects the reintroduction of shared rides and increased traffic congestion. The increase in Preventable Incidents and Collisions reflects an increase in ridership and traffic. Contractors who do not meet KPIs must provide a service improvement plan and may also be assessed with liquidated damages.

Other Operational Developments/Initiatives

New Contract Award and Contract Implementation: Access recently awarded a new operations contract in the Antelope Valley region to First Transit, Inc. Revenue service under this new contract will begin on May 1, 2022. The enhanced contract requirements should deliver improved services to people in the Antelope Valley region, including technology enhancements to the *Where's My Ride* (WMR) app (real-time trip information/trip rating/customer comments via smartphone) and online reservations. Also, provide the ability for people to make reservations online, as well as improvements to the WMR app. In addition to this contract award, Access successfully oversaw the start of a new contract with incumbent provider Global Paratransit in the Southern Region on September 1, 2021.

Accessible Electric Vehicle Development: While zero-emission, electric vehicles are becoming more common in fixed-route bus fleets, they are not readily available in paratransit services. Access staff has been working with Sunset Vans of Corona, CA to develop a prototype accessible electric vehicles based on the Dodge ProMaster chassis. The resulting prototypes have been exhibited at various conferences including the recent American Public Transportation Conference (APTA) in Orlando, FL. In addition, Access is seeking federal funding to initiate an electric vehicle pilot project.

Working with Community Partners

Access Annual Meeting: On Thursday, November 18, Access hosted its Annual Meeting to update its 46 Member Agencies and other stakeholders about its financial and operational results for FY21. The meeting was hosted virtually and there were over 80 attendees.

Metro Task Force/Working Group: Access was recently invited to serve on three Metro task forces to ensure the Agency and its customers' interests are represented. Senior Access staff are serving on the I-405 Comprehensive Multimodal Corridor Plan Advisory Council and the I-710 Task Force. Access staff is also working with Metro's Access for All Program working group to discuss how to distribute funds received by Los Angeles County, which imposes a 10-cent user fee on each TNC ride to expand and improve on-demand wheelchair-accessible vehicle service throughout California.

Access continues to consult on a variety of issues with its community and public agency partners, including the Aging and Disability Transportation Network (ADTN), the Los Angeles City and County

Commissions on Disabilities, Rancho Los Amigos National Rehabilitation Center and various Metro departments. Feedback and suggestions from these groups and Access' own Community Advisory Committee (CAC) and Transportation Professionals Advisory Committee continue to inform the Agency's policies, initiatives, and programs.

EQUITY PLATFORM

Created to comply with the federal civil rights mandate in the ADA, Access exclusively serves people with disabilities. Decisions made about ADA paratransit service will have an equity impact on Metro and all Los Angeles County municipal and local operators who provide fixed route service. Access estimates that many of their riders living in high need communities in Los Angeles County's Equity Focus Communities (EFCs) are minorities and low-income with mobility needs. Access attempts to address these transportation issues by providing a quality, responsive paratransit system. A comprehensive Customer Satisfaction Survey will be conducted in January 2022 to capture updated and disaggregated demographic data on Access riders. Survey results will be provided in Spring of 2022.

The KPIs listed above are included in every Access operations contract to better track equity impacts to service throughout the region. The enhanced technology, which includes online reservations and the WMR app (real-time trip information/trip rating/customer comments via smartphone), are now available to most customers and Access is working to expand this technology to all regions by the end of this calendar year. According to Access' most recent data (February 2020), 78 percent of riders reported using a smartphone. Riders who do not have access to technology like a smartphone or the internet can call the reservation line to get the same information regarding their trips.

The recent inclusion of Access by Metro staff on several important task forces, which includes Metro's Aging and Disability Transportation Network (ADTN), Access for All Working Group and the NextGen Working Group, is an example of how Metro's Equity Platform is ensuring the transportation needs of people with disabilities are considered. Access continues to reach out to its customers through Access community meetings and by attending and presenting at various events throughout Los Angeles County. Access is committed to advancing equity countywide in order to better serve Los Angeles County's most vulnerable and marginalized communities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 2: Deliver outstanding trip experiences for all users of the transportation system
Goal 3: Enhance communities and lives through mobility and access to opportunity

NEXT STEPS

Access is in the process of completing the following:

- Planning for a virtual, region-wide community meeting in January 2022;
- A financial and operational analysis of the impacts of Metro's NextGen plan on Access' service area;

- Enhancements to the *Where's My Ride* (WMR) app using $330,000 Mobility for All federal grant funds;
- Beta testing online reservations in the Northern region (San Fernando Valley);
- Conduct a comprehensive Customer Satisfaction Survey;
- Implementation of the recently awarded Antelope Valley region contract.
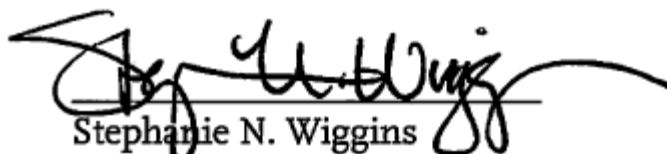
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Stephanie N. Wiggins
Chief Executive Officer

QUARTERLY UPDATE

Finance, Budget & Audit Committee

January 19, 2022

access

Recovering from the COVID-19 Pandemic

> Operating Pre-Pandemic, Next-Day, Shared-Ride Service Model

- Ridership has recovered to 65.2% of normal

> In-Person Eligibility Process

- Restarted for new applicants

> Fleet Replacement Schedule

- Significantly impacted due to global supply change issues
- Capital funds repurposed for major repairs on vehicles with 250,000+ miles

> Qualified vehicle operators and other personnel are in short supply

access

Key Performance Goals

Key Performance Indicators	Goal	FY21	FY22 YTD*
On Time Performance (Next Day Trips)	≥ 91%	92.6%	90.6%
Excessively Late Trips (45+ min late)	≤ 0.10%	0.07%	0.06%
Excessively Long Trips	≤ 5%	0.5%	3.1%
Missed Trips	≤ 0.75%	0.36%	0.43%
Denials	≤ 0	4	2
On Time Performance (Access to Work)	≥ 94%	97.8%	96.8%
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Miles Between Road Calls	≥ 25,000	64,040	65,019

*Statistical data through October 2021

access

Working with the Community

> Access Annual Meeting

- Updated Access' 46 Member Agencies and other stakeholders about financial and operational results for FY21

> Metro Task Forces

- I-405 Comprehensive Multimodal Corridor Plan Advisory Council

- I-710 Task Force

- Access for All Program working group

> Community Meeting

- Semi-annual virtual meeting scheduled for January 2022

access

Agency Update / Next Steps

> Analyze impact of Metro's NextGen plan on Access' service area

> Enhancements to the Where's My Ride (WMR) app using $330,000 Mobility for All federal grant funds

> Beta testing online reservations in the Northern region (San Fernando Valley)

> Implementation of the recently-awarded Antelope Valley region contract

> Conduct a comprehensive Customer Satisfaction Survey

> Development of accessible electric vehicle

access

access

Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2021-0692, **File Type:** Informational Report

Agenda Number: 15.

FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 19, 2022

SUBJECT: MANAGEMENT AUDIT SERVICES FY 2022 FIRST QUARTER REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Management Audit Services (MAS) FY 2022 first quarter report.

ISSUE

MAS is required to provide a quarterly activity report to Metro's Board of Directors (Board) that presents information on audits that have been completed or in progress, including information related to audit follow-up activities.

BACKGROUND

It is customary practice for MAS to deliver the quarterly audit report. The FY 2022 first quarter report covers the period of July 1, 2021 through September 30, 2021.

DISCUSSION

MAS provides audit services in support of Metro's ability to provide responsive, accountable, and trustworthy governance. The department performs internal and external audits. Internal audits evaluate the processes and controls within the agency, while external audits analyze contractors, cities, and/or non-profit organizations that are recipients of Metro funds. The department delivers management audit services through functional groups: Performance Audit; Contract, Financial and Compliance Audit; and Administration and Policy, which includes audit support functions. Performance Audit is mainly responsible for internal audits related to Operations, Finance and Administration, Planning and Development, Program Management, Information Technology, Communications, Risk, Safety and Asset Management including the Chief Executive Office; and other internal areas. Contract, Financial and Compliance Audit is primarily responsible for external audits in Planning, Program Management and Vendor/Contract Management. MAS'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 MAS' functional units conducting audits of program effectiveness, economy and efficiency, internal controls, and compliance. Administration and Policy is responsible for

administration, financial management, including audit support, audit follow-up, and resolution tracking.

The following chart summarizes MAS activity for FY 2022 first quarter:

	Completed as of FY 2022 First Quarter	In-Progress as of September 30, 2021
Performance Audits	1 audit project completed	7 audit projects
Contract, Financial and Compliance Audits	7 audit projects completed with a total value of $17 million	60 audit projects
Transitional Indirect Cost Rate (TICR) Determinations	2 approved	
Audit Follow-up and Resolution*	7 closed	
	7 closed	

*Note: MAS performs audit follow-up for the Office of Inspector General (OIG).

The FY 2022 First Quarter Report is included as Attachment A.

EQUITY PLATFORM

There are no equity impacts or concerns from audit services conducted during this period.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Management Audit Services FY 2022 First Quarter Report supports Metro's Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

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

ATTACHMENT
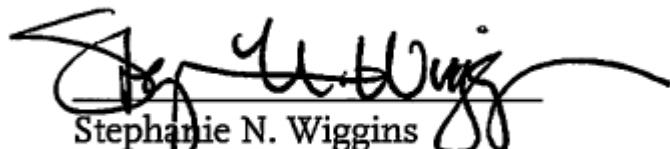
A. FY 2022 First Quarter Report

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Chief Executive Officer

Quarterly Report to Metro Board of Directors

FY 2022 First Quarter

Metro | **MANAGEMENT AUDIT SERVICES**

Table of Contents

Executive Summary

Performance Audit 7

Contract, Financial and Compliance Audit 60

Summary of Audit Activity
by Department
Reporting Period
July 1, 2021 – September 30, 2021

29%

8%

2%

2%

3%

7%

48%

1%

■ Agency-Wide
■ Communications
■ Finance & Budget
■ Information Technology
■ Operations
■ Planning & Development
■ Program Management
■ Risk, Safety & Asset Management
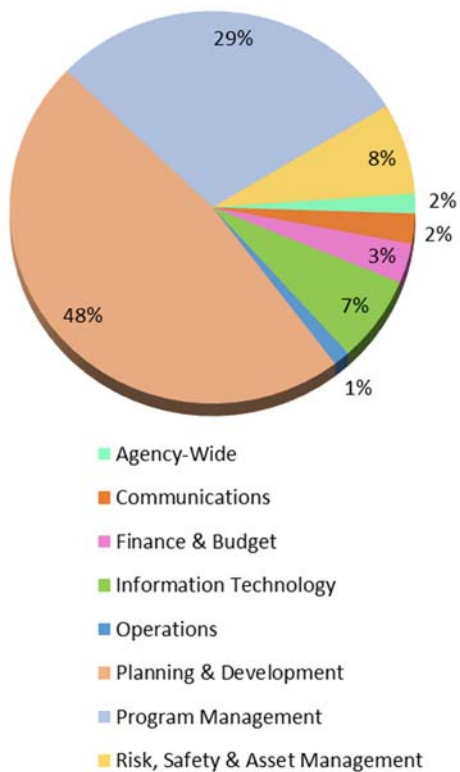
Summary of In Progress Audit Activity

Management Audit Services (MAS) has 67 in progress projects as of September 30, 2021, which include 7 performance audits and 60 contract, financial and compliance audits. The in-progress performance audits are listed in Appendix A.

As of the reporting period, there are 39 open MAS audit recommendations; and 57 open Office of Inspector General (OIG) audit recommendations.

Summary of First Quarter Completed Audit Activity

MAS completed 8 audit projects and closed 14 open audit recommendations. The projects are comprised of 1 performance audit and 7 contract, financial and compliance audits.

MAS completed 2 Transitional Indirect Cost Rate (TICR) determinations.

The completed performance audits are highlighted on page 4. The completed contract, financial and compliance audits are highlighted on page 5.

A summary of closed and open audit recommendations is included on page 7.

Department Highlights

MAS initiated the development and implementation of a formal Quality Assurance Improvement Program (QAIP). A summary of the QAIP activities is included on page 6.

Performance Audits

This section includes performance audits completed according to Generally Accepted Government Auditing Standards in addition to other types of projects performed by the Performance Audit team to support Metro. The other types of projects may include independent reviews, analysis or assessments of select areas. The goal of non-audit projects is to provide Metro with other services that help support decision making and promote organizational effectiveness.

Performance Audit of COVID-19 Regulatory Compliance

The objective of this audit was to evaluate Metro's compliance with health and safety elements of the Metro Public Health Pandemic Plan document, and State and local public health and Occupational Safety and Health Administration (OSHA) rules applicable to the transit industry.

MAS found that Metro's rollout of COVID-19 related health and safety procedures, including tools and training were in substantial compliance with:

- Metro Public Health Pandemic Plan;
- All applicable requirements of a sample of major COVID-specific Health Officer Orders and related rules from both the California Department of Public Health and the Los Angeles County Department of Public Health;
- All applicable requirements of a sample of major COVID-specific and COVID-related Cal/OSHA guidance, directives, and training materials relevant to Metro's various activities.

MAS noted no exceptions in the testing of Risk Safety & Asset Management's evaluation and response to the major COVID-19 specific advisories. However, Metro staff at various locations did not complete certain mandated COVID-19 health and safety related training.

Management concurred with the recommendations.

Contract, Financial & Compliance Audits

MAS staff completed 7 independent auditor's report on agreed-upon procedures for the following projects:

Project	Reviewed Amount	Questioned / Reprogrammed Amount
SR-710 Gap Alternative Analyses Project (3 subcontractors)	$7,222,349	$1,743
Consulting Services for Heavy Rail Vehicle Acquisition Technical Support Services	$3,264,846	$28,501
Advanced Conceptual Engineering and Preliminary Engineering for the Regional Connector Transit Corridor Project	N/A (Indirect Cost Rate)	-
City of Manhattan Beach – Nash / Douglas and Rosecrans Avenue Intersection Improvements Project	$4,131,469	$650,513
City of Pasadena – Wayfinding System Project	$2,277,369	$30,915
Total Amount	$16,896,033	$711,672

Details on contract, financial and compliance audits completed during FY 2022 first quarter are included in Appendix B.

Transitional Indirect Cost Rate (TICR) Determinations

In March 2020, MAS in concerted effort with Vendor / Contract Management, along with the guidance of County Counsel, updated the Transitional Indirect Cost Rate (TICR) Policy 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 new firm fixed contract types may submit for eligibility to participate in the TICR program. The TICR provides firms with a transitional indirect cost rate of 115%.

During FY 2022 first quarter, 2 TICR determinations were reviewed and approved.

A list of firms enrolled in the pilot program as of September 30, 2021 is included in Appendix C.

Department Highlights

Quality Assurance Improvement Program (QAIP)

During FY 2022 first quarter, MAS initiated efforts to develop a formal Quality Assurance Improvement Program (QAIP). The QAIP supports MAS' efforts to ensure quality is assessed at both an individual audit engagement level and an internal audit activity level. A well-defined QAIP is a best practice for internal audit organizations that supports the delivery of audit engagements that promote quality and, by default, conformance with the audit standards.

Following is a summary of the various QAIP activities to support improved performance, quality and value-added internal audit services:

- **Completed Activities**
    - Conducted industry benchmarking (e.g. NYMTA, WMATA, Sound Transit, LA County)
    - Devised QAIP Action Plan
    - Established an internal Quality Assurance (QA) Task Force
- **In-progress Activities**
    - Perform comprehensive review and update of audit libraries and procedural guidelines in accordance with practices and auditing standards
- **Upcoming Activities**
    - Initiate comprehensive review and update of MAS Audit Charter
    - Initiate Internal Quality Self-Assessment for FY20 and FY21: Assessment to evaluate MAS' conformance with government audit standards
    - Perform comprehensive review and update of MAS strategic plan
    - Initiate efforts to determine MAS' maturity model as a business practice and continuous improvement tactic
    - Other activities and tactics to be completed in FY22.

Audit Follow-Up and Resolution

The tables below summarize the open and closed audit recommendations as of September 30, 2021.

MAS and External Audit Recommendations				
Executive Area	**Closed**	**New**	**Currently Open**	**Open Past Due**
Human Capital & Development		3		
Operations	4		22	
Program Management			1	
Risk, Safety & Asset Management			3	
Systems Security and Law Enforcement			9	
Vendor/Contract Management	3		1	
Total	7	3	36	

OIG Audit Recommendations				
Executive Area	**Closed**	**New**	**Currently Open**	**Open Past Due**
Congestion Reduction			1	
Human Capital & Development			28	
Operations			6	
Systems Security and Law Enforcement	7	22		
Total	7	22	35	

Details of open audit recommendations for MAS and OIG are included in Appendix D and E.

Appendix A

			Performance Audit - In Progress Audits as of September 30, 2021	
No.	**Area**	**Audit Number & Title**	**Description**	**Estimated Date of Completion**
1	Program Management	22-CON-P02 Performance Audit of Program Management Support Services Contract	Assess the conformity of services performed and billed by the contractor to the scope of work and other provisions of the contract.	10/2021
2	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.	11/2021
3	Operations	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 within Operations for selected positions.	11/2021
4	Agency-Wide	20-ITS-P03 Performance Audit of IT Security Awareness	Evaluate the extent of information technology security awareness within the Agency.	12/2021
5	Planning & Development	21-PLN-P01 Micro Mobility Vehicles Program	Assess the progress made in achieving program goals and objectives, including assessing the consideration given to the Metro rapid equity assessment tool.	1/2022
6	Risk, Safety & Asset Management	21-RSK-P03 Transit Asset Inventory Records	Evaluate the adequacy of the records for this area, with a focus on accuracy, completeness and proper controls over asset records.	1/2022
7	Planning & Development	21-PLN-P02 Real Estate Management System	Determine if prior audit findings and recommendations have been considered as part of the upcoming implementation of the new Real Estate Management System.	3/2022

	Contract, Financial and Compliance Audit - Audits Completed as of September 30, 2021			
No.	**Area**	**Audit Number & Type**	**Auditee**	**Date Completed**
1	Planning & Development	20-PLN-A13 - Agreed-Upon Procedures	AECOM Technical Services, Inc.	8/2021
2	Program Management	19-CON-A26 - Agreed-Upon Procedures	LTK Engineering Services	8/2021
3	Planning & Development	20-PLN-A14 - Agreed-Upon Procedures	Epic Land Solutions, Inc.	8/2021
4	Planning & Development	20-PLN-A18 - Agreed-Upon Procedures	McMillan Jacobs Associates, Inc.	9/2021
5	Planning & Development	19-PLN-A11 - Closeout	City of Manhattan Beach	9/2021
6	Program Management	19-CON-A05 - Agreed-Upon Procedures	BA Inc.	9/2021
7	Planning & Development	19-PLN-A18 - Closeout	City of Pasadena	9/2021

No.	Firm	Approval Date
Transitional Indirect Cost Rate – Approved Firms as of September 30, 2021		
1	Chateau Vallon, Co.	7/13/2021
2	OFRS	7/13/2021

Appendix D

					Original Completion Date	Extended Completion Date
Open Audit Recommendations as of September 30, 2021							
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
1	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., Standard Operating Procedures [SOPs]), include the essential content necessary to support the agency-wide program. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist V/CM.**	6/30/2020	12/31/2021
2	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. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist V/CM.**	7/31/2020	12/31/2021
3	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. **Update: Metro is negotiating Essential Use designation with SCE, DWP & CPUC as a basis for utility emergency service agreements.**	3/31/2020	12/31/2021
4	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. **Update: Closed as of December 2021.**	12/31/2019	10/31/2021
5	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. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.**	2/28/2021	1/31/2022

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

				Open Audit Recommendations as of September 30, 2021		
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
6	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". **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.**	7/31/2020	1/31/2022
7	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. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.**	7/31/2020	1/31/2022
8	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. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist Finance.**	7/31/2020	1/31/2022
9	Operations	19-OPS-P02 Performance Audit of the Rail Communications Systems	8 Total	The recommendations included in this report address findings in Metro's Operational System. **Update: As of December 2020, 4 of 12 recommendations were closed.**	On-going	
10	Operations	19-OPS-P03 Performance Audit of the SCADA Security Controls	7 Total	The recommendations included in this report address findings in Metro's Operational System. **Update: As of September 2021, 6 of 13 recommendations were closed.**	On-going	
11	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. **Update: A new mandatory FOF online training program has been set to release in November 2020 to train all supervisory personnel, including the proper fashion for completing a FOF, discussion items while conducting a FOF and requirements of the FOF Policy. FOFs are regularly discussed at LSC meetings and a FOF awareness campaign is currently being discussed with Operations.**	3/31/2020	12/31/2021

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 September 30, 2021**					
12	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. **Update: TransitSafe's replacement software is in the process of being configured and implemented and will include FOF reporting functionality. Due to the pandemic, vendor staffing changes and historical data transition issues, the implementation has been delayed.**	7/31/2020	3/31/2022
13	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	
14	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. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&LE.**	7/30/2020	1/31/2022
15	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. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&LE.**	7/30/2021	1/31/2022
16	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. **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&LE.**	7/30/2020	1/31/2022

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

				Open Audit Recommendations as of September 30, 2021		
No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
17	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). **Update: Emergency Management resources have been fully committed to COVID-19 related emergency operations since March 2020, and are unavailable to assist SS&LE.**	7/31/2021	1/31/2022
18	Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering and Maintenance Training	1a	We recommend that the Chief Operations Officer require Wayside Systems Engineering and Maintenance management to perform a training needs assessment to accurately determine the number of Instructors required to ensure that formal refresher training is provided regularly within the Signal, Track, and Traction Power departments. **Update: Closed as of October 2021.**	7/31/2021	
19	Operations	19-OPS-P01 Performance Audit of Wayside Systems Engineering and Maintenance Training	1b	We recommend that the Chief Operations Officer require Wayside Systems Engineering and Maintenance management to develop a Formal Refresher Training that supports the technical competence of maintenance personnel and supports the improvement of system reliability of assets. Refresher Training should be focused on areas where the increasing number of failures or repeat write-ups are occurring within the Signal, Track, and Traction Power departments. **Update: Closed as of October 2021.**	2/28/2021	6/30/2021
20	Operations	20-OPS-P02 Follow-up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	1	MAS recommends that Contract Services management establish a timeline and finalize the Contract Monitoring Plan.	7/30/2022	
21	Operations	20-OPS-P02 Follow-up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	2	MAS recommends that Contract Services management develop formal written policies and procedures that include a) a requirement that decisions requiring executive approval be documented and b) a requirement that all modifications of contractual terms be documented and executed by the Contract Administrator.	12/31/2021	
22	Operations	20-OPS-P02 Follow-up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	3	MAS recommends that Contract Services management formulate and establish a formal training program to support skills development in the monitoring of contractor's performance.	12/31/2021	

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 September 30, 2021				
23	Operations	20-OPS-P02 Follow-up Performance Audit on Efficiency and Effectiveness of the Oversight of Contracted Bus Services	4	MAS recommends that Contract Services management continue to work with appropriate stakeholders to resolve the fareboxes issue and establish a timeline by when this will be completed. Once fareboxes are operational, the reconciliation process should be fully restored to include the triggering of a revenue compliance inspection for variances exceeding the threshold by above or below 2%. **Update: The Fareless System Initiative has delayed the resolution of the fareboxes issue.**	4/30/2021	3/31/2022
24	Human Capital & Development	21-RSK-P02 Performance Audit of COVID-19 Regulatory Compliance	1	HC&D should ensure the following for all COVID safety-related mandatory training recorded in Metro's Training Portal and any other systems: deadlines are specified in the system for every mandatory training program.	1/31/2022	
25	Human Capital & Development	21-RSK-P02 Performance Audit of COVID-19 Regulatory Compliance	2	HC&D should ensure the following for all COVID safety-related mandatory training recorded in Metro's Training Portal and any other systems: automated notifications are enabled to remind employees to complete both upcoming and overdue training.	1/31/2022	
26	Human Capital & Development	21-RSK-P02 Performance Audit of COVID-19 Regulatory Compliance	3	HC&D should ensure the following for all COVID safety-related mandatory training recorded in Metro's Training Portal and any other systems: completion status relative to deadlines is being reported accurately for all mandatory training to departments' management.	1/31/2022	

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 September 30, 2021						
1	Operations	17-AUD-04 Review of Metro Safety Culture and Rail Operational Safety	6 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 December 2020, 111 of 117 recommendations were closed.**	Pending	
2	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	7/1/2022
3	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	1	Employ Oracle Talent Acquisition Cloud (OTAC), Metro's new Applicant Tracking System, to obtain and utilize talent analytics	7/30/2021	
4	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	2	Hold hiring process stakeholders accountable for faster decision making	7/30/2021	
5	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	3	Decrease post-testing communication time for the candidates	7/30/2021	
6	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	4	Select interview dates and interviewers prior to the Hiring Plan Meeting	7/30/2021	
7	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	5	Implement a digital workflow to autoroute forms and utilize electronic signatures and assign a back-up signatory	7/30/2021	
8	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	6	Implement digital interview note-taking, scoring, and uploading of candidate results	7/30/2021	
9	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	7	Improve communication between Talent Acquisition (TA) and Hiring Managers regarding changes in the hiring process	7/30/2021	
10	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	8	Encourage greater use of department interviews	7/30/2021	
11	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	9	Allow Qualified Candidate Pools (QCPs) with similar Minimum Qualifications (MQs) to be shared	7/30/2021	
12	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	10	Clarify decision-making roles and responsibilities throughout the entire hiring process	7/30/2021	

	OIG Open Audit Recommendations as of September 30, 2021					
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
13	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	11	Grant Hiring Managers greater decision-making authority in screening	7/30/2021	
14	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	12	Ensure full adoption of the OTAC system coupled with adoption of an effective change management process	7/30/2021	
15	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	13	Expand Hiring Managers' influence by allowing additional Minimum Qualifications to a position	7/30/2021	
16	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	14	Reevaluate the use of blind screening in 12 months	7/30/2021	
17	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	15	Transition Equal Employment Opportunity (EEO) role from active participant to advisor, auditor, and trainer	7/30/2021	
18	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	16	Utilize self-service portal for candidates to provide evidence of education and references	7/30/2021	
19	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	17	Provide stakeholders with the ability to receive live application status updates	7/30/2021	
20	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	18	Communicate to Metro employees why it lacks a promotion process	7/30/2021	
21	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	19	Ensure OTAC's application portal meets candidates' needs	7/30/2021	
22	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	20	Update auto-generated communications to applicants after application submission to improve hiring process expectations	7/30/2021	
23	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	21	Institute a combination of standardized and non-standardized interview questions	7/30/2021	
24	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	22	Update initial communication to candidates placed on QCP	7/30/2021	
25	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	23	Send periodic automated emails to candidates in QCP to keep them engaged and aware of opportunities for which they may be considered	7/30/2021	
26	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	24	Request complete employment history earlier in the process	7/30/2021	
27	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	25	Consider characteristics other than years of direct work experience when determining salary offers and when screening applications	7/30/2021	

Appendix E

					OIG Open Audit Recommendations as of September 30, 2021		
No.	Area	Audit Number & Title	Rec. No.	Recommendation		Original Completion Date	Extended Completion Date
28	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	26	Reduce required memos and forms and expedite their completion		7/30/2021	
29	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	27	Consider increasing the 15% cap on raises for internal candidates		7/30/2021	
30	Human Capital & Development	20-AUD-09 Personnel Hiring Process Study	28	Decrease the job posting salary ranges		7/30/2021	
31	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	2	SSLE should ensure that future contracts include a contract budget that specifies the amount of funds budgeted for each contract year and develop procedures to help ensure that the annual budgets are adhered to.		12/31/2021	
32	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	3	SSLE should in future contracts, to more effectively control and track the use of contract funds, allocate within the budget a separate reserve amount to be used for special events and enhanced deployments.		12/31/2021	
33	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	4	SSLE should for future contracts, consider the impact that the use of full-time contracted personnel will have on the use of funds over the life of the contract. In addition, specify within the contract the job classifications, and number of positions within each classification that can be charged to the Metro contract on a full-time basis.		12/31/2021	
34	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	5	SSLE should execute a contract modification if it is determined that LBPD sworn personnel will be assigned to the contract on a full-time basis.		12/31/2021	
35	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	8	SSLE should review all LAPD invoices for FY20 to determine if there are other incidents where the personnel hourly billing rate exceeds the approved maximum fully burdened hourly rate for the job classification.		12/31/2021	
36	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	9	SSLE should request a refund of $3,170.52 and any additional overbillings identified from LAPD.		12/31/2021	
37	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	10	SSLE should for future contracts, work with each contractor to include language in their respective contracts that more thoroughly and clearly define how services will be billed and what costs will be allowed and/or disallowed.		12/31/2021	
38	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	11	SSLE should continue to work on strengthening controls in the area of monitoring and oversight by addressing the deficiencies cited in areas such as Community Policing and Key Performance Indicators.		10/31/2021	12/31/2021

				OIG Open Audit Recommendations as of September 30, 2021		
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
39	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	12	SSLE should complete and finalize the Compliance Audit Procedures Manual.	12/31/2021	
40	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	13	SSLE should review on a periodic basis the qualifications of a sample of officers from each of the law enforcement agencies to determine that contract requirements are being adhered to.	10/31/2021	12/31/2021
41	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	14	SSLE should for required training, consider developing and requiring officers to take refresher courses after working on the contract for two or more years.	12/31/2021	
42	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	15	SSLE should for required reporting, review with input from the law enforcement agencies, the reports and information currently required to determine if changes are necessary. As part of this review determine if different or additional information would be more beneficial.	9/30/2021	12/31/2021
43	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	16	SSLE should with input from the three law enforcement agencies, develop baseline performance levels (targets and goals) for key performance indicators.	10/31/2021	12/31/2021
44	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	17	SSLE should develop and update annually a written agency-wide Community Policing Plan.	10/31/2021	12/31/2021
45	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	20	SSLE should include in future contracts the requirement of wearing body cameras by all contracted law enforcement personnel when policing the Metro System.	12/31/2021	
46	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	21	SSLE should establish with the three contracted law enforcement agencies procedures for accessing video footage from body cameras when necessary, including for compliance, auditing, and investigative reasons.	10/31/2021	12/31/2021
47	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	22	LAPD should ensure that each personnel's hourly billing rate does not exceed the approved maximum fully burdened hourly rate for that job classification.	10/31/2021	12/31/2021
48	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	23	LAPD should develop procedures to help ensure that even during departmental wide mobilizations and/or special deployments that only those officers who meet contract requirements are placed on the Metro contract.	10/31/2021	12/31/2021

				OIG Open Audit Recommendations as of September 30, 2021		
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
49	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	24	LAPD should include in the Annual Community Policing Plan a description of the specific training provided to its officers in the area of Problem Oriented Policing.	10/31/2021	12/31/2021
50	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	25	LASD should assign personnel to the Metro contract only after they are Post Certified and have met all contract requirements.	10/31/2021	12/31/2021
51	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	26	LASD should include in its annual Community Policing Plan a description of the specific training provided to its officers in the area of Problem Oriented Policing.	10/31/2021	12/31/2021
52	Systems Security and Law Enforcement	22-AUD-02 Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	28	LBPD should assign only those officers to the contract who have 18 months of law enforcement experience and have met all other contract requirements related to personnel and training.	10/31/2021	12/31/2021

Management Audit Services
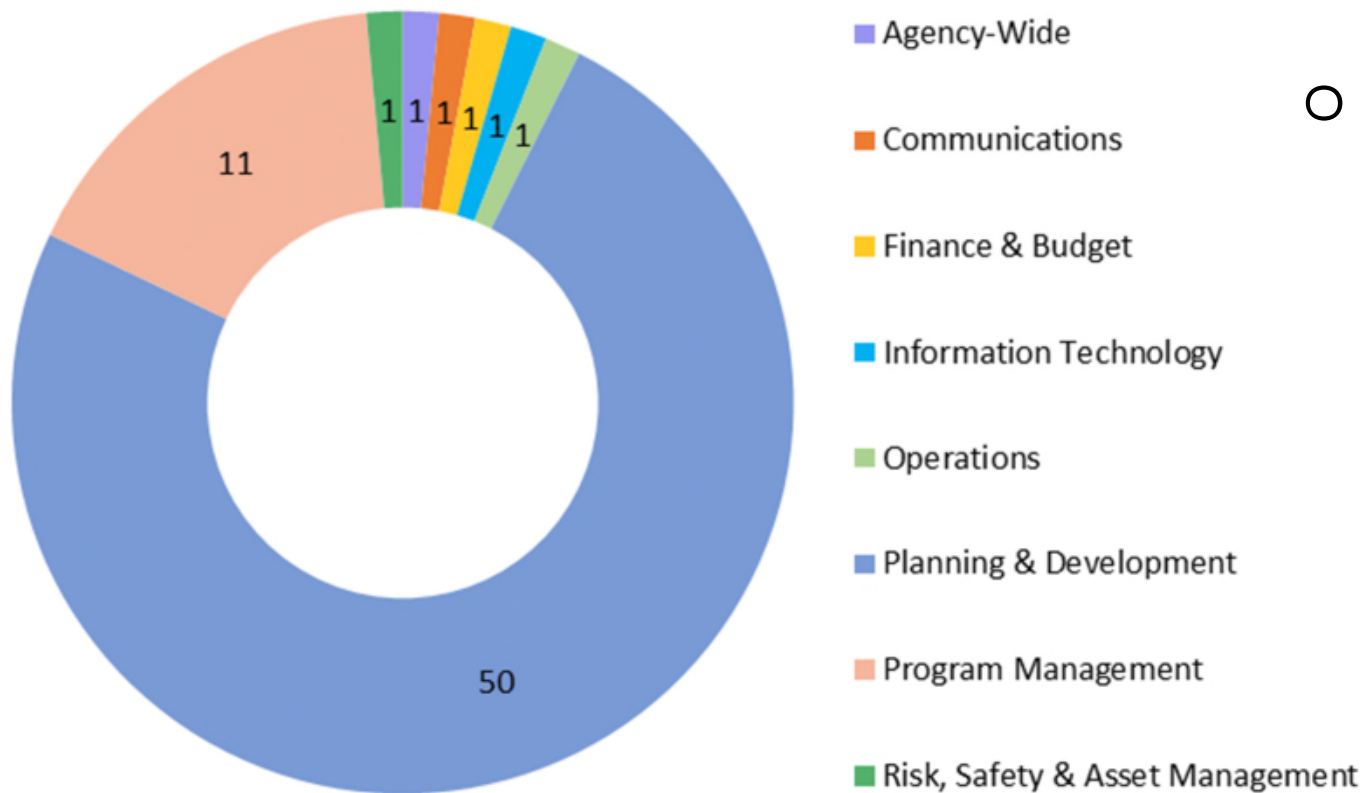
FY 2022 First Quarter Report

Finance, Budget & Audit Committee
January 19, 2022

Metro | **MANAGEMENT AUDIT SERVICES**

In Progress: MAS Audit Activity

Agency Representation

Legend:
- Agency-Wide
- Communications
- Finance & Budget
- Information Technology
- Operations
- Planning & Development
- Program Management
- Risk, Safety & Asset Management

Values on chart: 11, 1, 1, 1, 1, 1, 1, 50

o 7 Performance Audits

o 60 Contract, Financial and Compliance Audits

In Progress: Performance Audits

	Audit Title	Description	Estimated Completion			
			FY22 Q1 Jul - Sept	FY22 Q2 Oct - Dec	FY22 Q3 Jan - Mar	FY22 Q4 Apr - Jun
1	Program Management Support Services Contract	Assess the conformity of services performed and billed by the contractor to the scope of work and other provisions of the contract.		🟢		
2	Expanded Discount Programs	Determine the adequacy and effectiveness of internal controls over the expanded discount (special fares for patrons) programs.		🟢		
3	Internal Controls over Overtime Payments for AFSCME	Evaluate adequacy of the internal controls over overtime payments for AFSCME union employees within Operations for selected positions.		🟢		
4	IT Security Awareness	Evaluate the extent of information technology security awareness within the Agency.		🟢		
5	Micro Mobility Vehicles Program	Assess the progress made in achieving program goals and objectives, including assessing the consideration given to the Metro rapid equity assessment tool.			🟢	
6	Transit Asset Inventory Records	Evaluate the adequacy of the records for this area, with a focus on accuracy, completeness and proper controls over asset records.			🟢	
7	Real Estate Management System	Determine if prior audit findings and recommendations have been considered as part of the upcoming implementation of the new Real Estate Management System.			🟢	

Completed: Performance Audit of COVID-19 Regulatory Compliance

Objective

Evaluate Metro's compliance with health and safety elements of the Metro Public Health Pandemic Plan document, and State and local public health and OSHA rules applicable to the transit industry.

Audit Results

MAS found that Metro's rollout of COVID-19 related health and safety procedures, including tools and training were in substantial compliance.
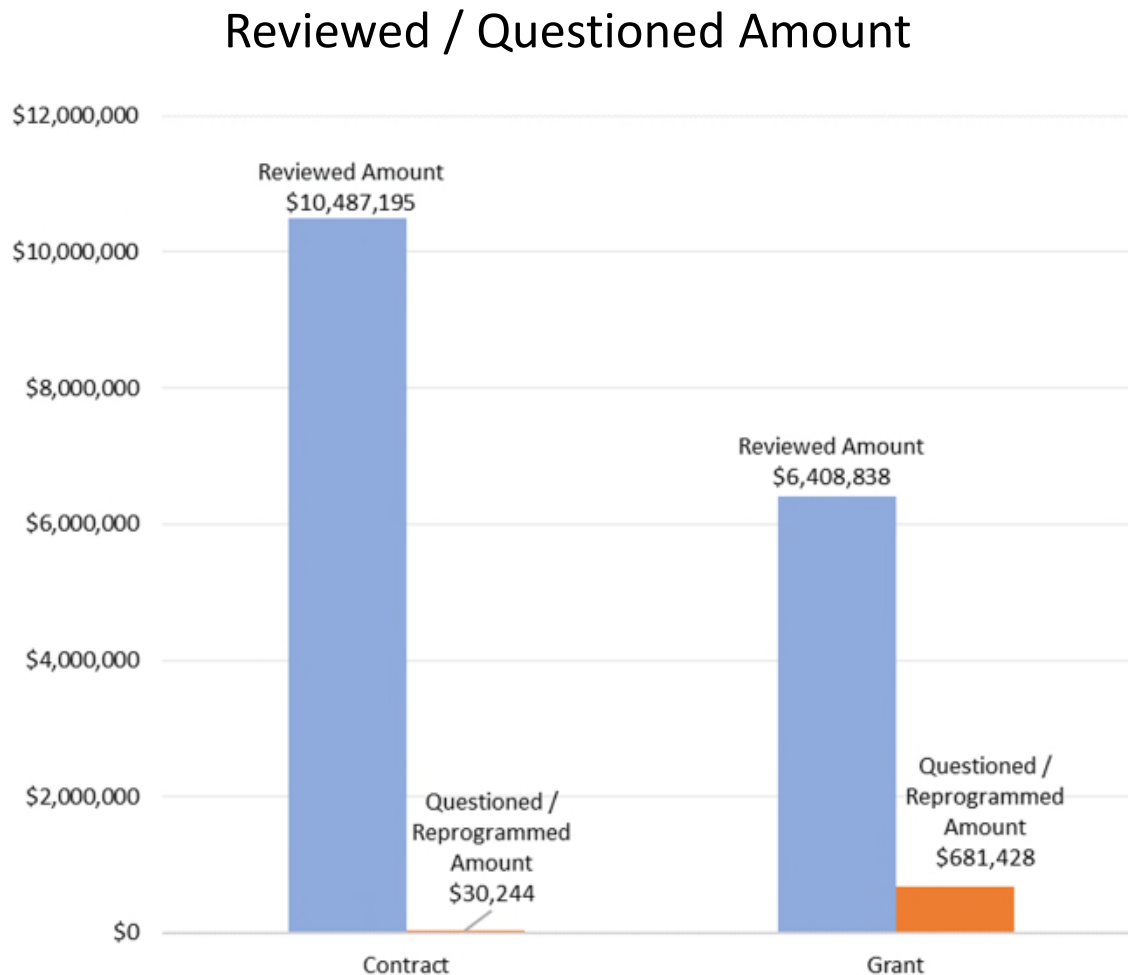
Findings / Recommendations

Finding 1: Various management employees did not complete the mandatory training	Finding 2: Various Service Attendants did not complete the mandatory training

- Ensure deadlines are specified in the training system
- Ensure automated notifications are enabled
- Ensure completion status relative to deadlines is being reported accurately

- Follow-up to determine the reason that specific divisions did not participate in the training

Completed: Contract, Financial & Compliance Audits

Reviewed / Questioned Amount

Chart axis values: $12,000,000 · $10,000,000 · $8,000,000 · $6,000,000 · $4,000,000 · $2,000,000 · $0

- Contract — Reviewed Amount $10,487,195; Questioned / Reprogrammed Amount $30,244
- Grant — Reviewed Amount $6,408,838; Questioned / Reprogrammed Amount $681,428

o Delivered financial audits that reviewed $17 million of funding; and identified $700 thousand (4%) for reprogramming

o Reviewed and approved 2 Transitional Indirect Cost Rate (TICR) determinations for Small Business Enterprises (SBEs)

Next Steps

- Report FY20-21 Internal Quality Self-Assessment (IQSA)

- Advance updated MAS Audit Charter to Metro's Chief Executive Officer and the Board of Directors for approval

- Deliver Consolidated Audit Reports and Annual Comprehensive Financial Reports (FY 21)

- Ensure ongoing implementation of performance and financial audits and reporting

Thank you