

**Board Report**

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
SEPTEMBER 16, 2015**

**SUBJECT: MANAGEMENT AUDIT SERVICES FY 2015 YEAR-END REPORT**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

RECEIVE AND FILE the year-end report of **Management Audit Services** for the period ending June 30, 2015.

**ISSUE**

At its January 2005 meeting, the Board designated the Executive Management and Audit Committee (EMAC) as their audit committee. The EMAC requested a quarterly report from Management Audit Services (Management Audit) on its audit activities. In July 2011, the audit responsibilities were transferred to the Finance, Budget and Audit Committee. This report fulfills the requirement for the fourth quarter of FY 2015.

**DISCUSSION**

Management Audit provides audit support to the Chief Executive Officer (CEO) and his executive management. The audits we perform are categorized as either internal or external. Internal audits evaluate the processes and controls within the agency. External audits analyze contractors, cities or non-profit organizations that we conduct business with or receive Metro funds.

There are four groups in Management Audit: Performance Audit, Contract Pre-Award Audit, Incurred Cost Audit and Audit Support and Research Services. Performance Audit is primarily responsible for all audits for Operations, Finance and Administration, Planning and Development, Program Management, Information Technology, Communications and Executive Office. Contract Pre-Award and Incurred Cost Audit are responsible for external audits in Planning and Development, Program Management and Vendor/Contract Management. All of these units provide assurance to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, internal controls, and compliance. Audit Support and Research Services is responsible for administration, financial management, budget coordination, and audit follow-up and resolution tracking.

The summary of Management Audit activity for the fourth quarter and for the fiscal year ending June 30, 2015 is as follows:

**Internal Audits:** two internal audits were completed for the fourth quarter; five reports were completed for the year. As of June 30, 2015, 15 internal audits were in process.

**External Audits:** 34 contract audits with a total value of \$103.5 million and five incurred cost audits with a total value of \$36 million were completed during fourth quarter. Sixty-one contract pre-award audits with a total value of \$141 million and 27 incurred cost audits with a total value of \$137 million were completed for the year. Two contract pre-award audits and 42 incurred cost audits were in process.

**Other Audits:** Details of additional audits completed by external certified public accountants (CPAs) during the year are included in Attachment A.

**Audit Follow-up and Resolution:** 19 recommendations were added and 55 recommendations were closed. As of June 30, 2015, there were 46 open audit recommendations.

Management Audit's FY 2015 year-end report is included as Attachment A.

### **NEXT STEPS**

Management Audit will provide the first quarter summary of FY 2016 audit activity to the Board at the January 2016 Finance, Budget and Audit Committee meeting.

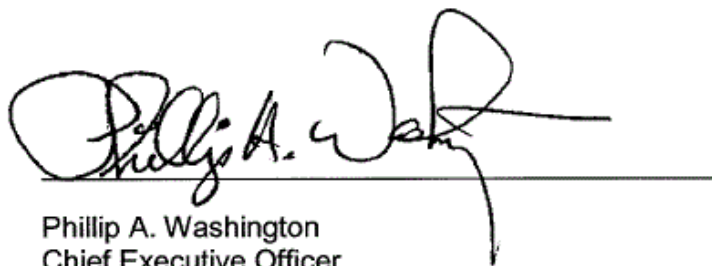
### **ATTACHMENTS**

Attachment A - Management Audit Services Quarterly Report to the Board for the period ending June 30, 2015.

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Phillip A. Washington  
Chief Executive Officer

**MANAGEMENT AUDIT SERVICES  
QUARTERLY REPORT TO THE BOARD**

**Los Angeles County Metropolitan  
Transportation Authority**

***YEAR-END REPORT  
FY 2015***

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# EXECUTIVE SUMMARY

## FY15 Summary of Audit Activity

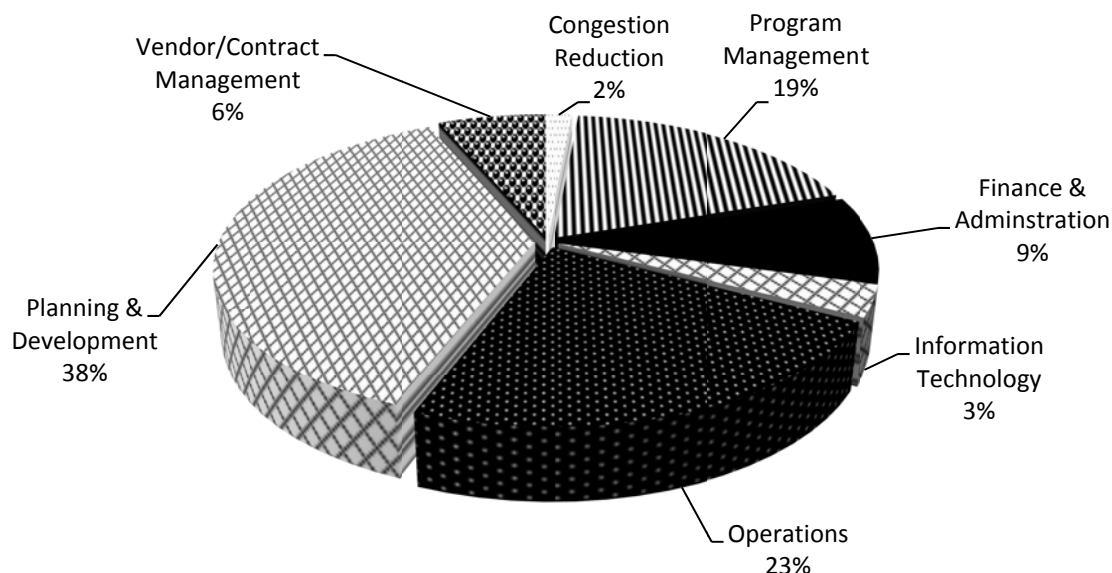
During FY 2015, 93 engagements were completed. These include:

- 17 audit reports issued in the first quarter;
- 22 audit reports issued in the second quarter;
- 13 audit reports issued in the third quarter;
- 41 audit reports issued in the fourth quarter.

The work completed in the first, second, and third quarters of FY 2015 are summarized in the quarterly reports issued in January 2015, April 2015 and June 2015. The completed audits for fourth quarter include 2 internal audit reports, 34 contract pre-award audits and 5 incurred cost audits. The completed contract pre-award and incurred cost audits are summarized on page 2 and completed internal audits begin on page 3. Fifty-nine audits were in process at the end of FY 2015.

Appendix A and B contain a list of all contract pre-award and incurred cost audit projects completed in FY 2015. Appendix C lists all internal audits completed during FY 2015. Appendix D lists all internal audits in process as of June 30, 2015.

The following chart identifies the functional areas where Management Audit focused audit staff time and efforts during FY 2015:



During FY 2015, 19 recommendations were added and 55 recommendations were closed. As of June 30, 2015, there were 46 open audit recommendations.

# *EXTERNAL AUDITS*

## Contract Pre-Award Audit

Contract Pre-Award Audit provides support to the Vendor/Contract Management Department for a wide range of large-dollar procurements and projects. This support is provided throughout the procurement cycle in the form of pre-award, interim, change order, and closeout audits, as well as assistance with contract negotiations.

During FY 2015, we completed 61 audits, reviewing a net value of \$141 million. Auditors questioned \$24 million or 17% of the proposed costs. The 61 audits supported procurements in the following areas:

- 12 Regional Planning, including Corridor projects, procurements;
- 9 Capital projects procurements;
- 9 Regional Rail projects procurements;
- 7 Airport Connector project Procurements;
- 6 Bikeshare project Procurements;
- 6 Highway projects Procurements;
- 4 Light Rail Vehicle Acquisition project/Bus Buy procurements;
- 3 ExpressLanes project Procurements;
- 2 for the Transit Access Pass/Universal Fare System project procurements;
- 2 Communication Systems Equipment procurement; and
- 1 Business Interruption Fund Management procurement.

Two contract pre-award audits were in process as of June 30, 2015.

Details on Contract Pre-Award Audits completed during FY 2015 are in Appendix A.

## Incurred Cost Audit

Incurred Cost Audit conducts audits for Planning and Development's Call-for-Projects program, Program Management's highway projects, federally funded transportation programs, and various other transportation related projects, including Caltrans projects. The purpose of the audits is to ensure that grantees spend funds in accordance with the terms of the grants/contracts and federal cost principles.

Incurred Cost Audit completed 27 audits during FY 2015. We reviewed \$137 million of funds and identified \$5.6 million of unused funds that may be reprogrammed by Planning and Development for other projects. Forty-two incurred cost audits were in process as of June 30, 2015.

Details on Incurred Cost Audits completed during FY 2015 are in Appendix B.

# *INTERNAL AUDITS*

Management Audit completed five internal audit reports in FY 2015. Fifteen internal audits were in process as of June 30, 2015. A list of the internal audits in process is in Appendix D.

Details of the two internal audits completed during the fourth quarter are listed below in the order of the magnitude of risks that their findings represent to the agency.

## *Performance Audit of Mobile Devices*

The objective of this audit was to determine the adequacy of management and security of smartphone and cellphone mobile devices.

We found that Information Technology Services has adequate controls over the acquisition process, internal billing process and the process for decommissioning devices. However, the governance approach could be improved by better management oversight and increased security of mobile devices equipment. Management agrees with the finding and has already taken steps to resolve the issue.

## *Performance Audit of Operations Training Tracking System*

The objective of the audit was to evaluate general and application controls over the Operations Training Tracking System.

We found that general and application controls for Operations Training Tracking System are adequate. However, ITS is not actively overseeing users' accounts for status and role changes, agency-wide. In addition, the process to deactivate users' accounts upon termination is not adequately set-up and the process to update transferred users' accounts is not being followed. Management agrees with the findings and has already taken steps to resolve the issue.

## *OTHER AUDITS*

Other audits completed during FY15 by external CPA firms include:

### Measure R Audit – Issued November 2014

The voter approved Measure R Ordinance mandates that an annual audit be conducted after the end of the fiscal year to determine compliance with the provisions of the Ordinance related to the receipt and expenditure of sales tax revenues during the fiscal year. Bazilio Cobb Associates (BCA) completed the Independent Auditor's Report on Schedule of Revenues and Expenditures for Measure R Special Revenue Fund, which fulfills the requirement for the year ended June 30, 2014. The auditors found that MTA complied, in all material respects, with the requirements applicable to the Measure R revenues and expenditures. As required by law, BCA presented their audit report to the Measure R Oversight Committee on February 9, 2015.

### Proposition A and C Special Revenue Funds Audit – Issued December 2014

The MTA Reform and Accountability Act of 1998 requires the completion of an independent audit to determine compliance by the MTA with the provisions of Propositions A and C. BCA completed the Independent Auditor's Report on Schedule of Revenues and Expenditures for Proposition A and Proposition C Special Revenue Funds, which fulfills the requirement for the year ended June 30, 2014. The auditors found that MTA complied, in all material respects, with the requirements applicable to the Proposition A and Proposition C revenues and expenditures. As required by law, BCA presented their audit report to the Independent Citizens Advisory and Oversight Committee on January 8, 2015.

### Basic Financial Statements – All parts Issued by February 2014

An audit of our financial statements by an independent CPA firm is required annually. We retained KPMG, LLP to conduct the audit for the fiscal year FY14. The following reports include MTA's basic financial statements and following component audits for the year ended June 30, 2014.

- Basic Financial Statement Report;
- Single Audit Reports which include:
  - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and
  - Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133;
- Federal Funding Allocation Data Transportation Operating Agency (ID# 9154) and Management Letter;
- Federal Funding Allocation Data L.A. County Small Operators (ID# 9166) and Management Letter;



## *OTHER AUDITS*

- Transportation Development Act Operations Agency Year ended June 30, 2014;
- Transportation Development Act & Prop 1B PTMISEA Planning Agency Schedule of Revenues, Expenditures, and Changes in Fund Balances;
- State Transit Assistance Special Revenue Fund Basic Financial Statements;
- Service Authority for Freeway Emergencies Financial Statements and Other Supplementary Information; and
- Independent Auditors' Statement on Auditing Standards 114 letter covering required communications.

The audit found our financial statements to present fairly, in all material respects. Three internal control matters were noted in the management letter for the Federal Funding Allocation Data Transportation Operating Agency (9154) report. In addition, they found two significant deficiencies in the Report on Compliance with Requirements Applicable to Each Major Program. Management has agreed to correct those issues. Management Audit will follow-up to ensure they are being addressed.

### PTSC - MTA Risk Management Authority Basic Financial Statements – Issued March 2014

In October 1998, the Public Transportation Services Corporation (PTSC) and the Los Angeles County Metropolitan Transportation Authority (LACMTA) entered into a joint powers agreement to create the PTSC-MTA Risk Management Authority (PRMA) for the purpose of establishing and operating a program of cooperative self-insurance and risk management. An audit of PRMA's financial statements by an independent CPA firm is required annually. We retained BCA to conduct the audit for the fiscal year ended June 30, 2014. BCA found that PRMA's financial statements present fairly, in all material respects.

### Audited Financial Statements of Metro ExpressLanes – Issued January 2015

Metro ExpressLanes started as a one-year demonstration program to test innovations in order to improve existing transportation systems in three sub-regions: the San Gabriel Valley, Central Los Angeles, and the South Bay. In April 2014, the Board of Directors voted unanimously for the ExpressLanes on the I-110 and I-10 Freeways to become permanent. An audit of the financial statements of Metro ExpressLanes, an enterprise fund of the LACMTA, was performed by Vasquez & Company, LLP (Vasquez) for the year ended June 30, 2014 and the period from November 10, 2012 to June 30, 2013. Vasquez found that the financial statements present fairly, in all material respects.

## *OTHER AUDITS*

### State Transportation Improvement Program (STIP) and Planning Programming and Monitoring (PPM) - Issued January 2015

In August 2012, Metro entered into a Reimbursement Agreement (Agreement) with Caltrans to provide planning, programming and monitoring of projects for the development and preparation of the Regional Transportation Improvement Program. Metro is required to comply with the Agreement and to ensure that STIP (PPM) funds are used in conformance with Article XIX of the California State Constitution, and for PPM purposes as defined in the Agreement. Mayer Hoffman McCann (MHM), CPA completed a financial and compliance audit of The State Transportation Improvement Program (STIP) for the period August 22, 2012 through December 20, 2013. MHM found that the financial schedule presents fairly, in all material respects.

### Gateway Center & Union Station Properties Financial Statements and Independent Auditor's Reports – Issued January 2015

The MTA acquired the Union Station and Gateway Center properties in April 2011. We contracted BCA to conduct an audit of the financial statements for these two entities for the year ended June 30, 2014. The auditor found that the financial statements present fairly, in all material respects, the financial position of each entity.

### Consolidated Audit – Issued various dates

These financial and compliance audits are needed to ensure that the recipients of subsidies included in the Consolidated Audit are adhering to the statutes of each applicable funding source and that operations data used to allocate funds is fair and in accordance with Federal Transportation Administration guidelines. Vasquez & Company and Simpson & Simpson performed the audits of Financial Statements of the Proposition A Local Return Fund, Proposition C Local Return fund, Measure R Local Return Fund and the Transportation Development Act Article 3 Fund for various cities for the year ended June 30, 2014.

In addition to the Measure R audits delivered to the various cities, the auditors issued two audits that were presented to the Measure R Oversight Committee as required by Ordinance. The respective auditors will follow up on the findings identified in these audits in the following years' audits.

# AUDIT SUPPORT SERVICES

## Audit Follow-Up and Resolution

During FY 2015, 19 recommendations were added and 55 recommendations were closed. At the end of this quarter, there were 46 outstanding audit recommendations. The table below summarizes the fourth quarter activity.

### Summary of MAS and External Audit Recommendations As of June 30, 2015

Executive Area	Closed or Completed in Apr.	Closed or Completed in May	Closed or Completed in Jun.	Late	Extended	Not Yet Due/Under Review	Total Open Recom.
Program Management						4	4
Finance and Administration			1			3	3
Information Technology						7	7
Operations					11		11
Planning and Development			13		18		18
Vendor/Contract Management			1			3	3
<b>Totals</b>			15		29	17	46

## Appendix A

<b>Contract Pre-Award Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Contractor</b>	<b>Requirement</b>	<b>Date Completed</b>
Operations	14-OPS-A10 - Attestation Agreed-upon Procedures	New Flyer	Contractual	7/2014
Finance & Administration	14-OPS-A08A - Attestation Agreed-upon Procedures	Cubic Transportation Systems, Inc.	Contractual	7/2014
Finance & Administration	14-OPS-A08B - Attestation Agreed-upon Procedures	Robnett Electric, Inc.	Contractual	7/2014
Program Management	14-CON-A03A - Attestation Agreed-upon Procedures	J.L. Patterson & Associates, Inc.	Contractual	8/2014
Program Management	14-CON-A03B - Attestation Agreed-upon Procedures	Parsons Brinkerhoff, Inc.	Contractual	8/2014
Program Management	14-CON-A02 - Attestation Agreed-upon Procedures	RailPros, Inc.	Contractual	9/2014
Operations	14-OPS-A14 - Attestation Agreed-upon Procedures	ARINC, Inc.	Contractual	9/2014
Vendor/Contract Management	15-ADM-A01- Attestation Agreed-upon Procedures	Del Richardson & Associates	Contractual	10/2014
Program Management	15-HWY-A02 - Attestation Agreed-upon Procedures	Parsons Transportation Group	Contractual	10/2014

## Appendix A

<b>Contract Pre-Award Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Contractor</b>	<b>Requirement</b>	<b>Date Completed</b>
Program Management	15-HWY-A01 - Attestation Agreed-upon Procedures	TranSystems Corporation	Contractual	10/2014
Planning & Development	15-PLN-A07 - Attestation Agreed-upon Procedures	Cambridge Systematics, Inc.	Contractual	11/2014
Operations	15-OPS-A03 - Attestation Agreed-upon Procedures	Kinkisharyo International LLC	Contractual	11/2014
Program Management	15-HWY-A03 - Attestation Agreed-upon Procedures	CH2M Hill, Inc.	Contractual	11/2014
Operations	14-OPS-A11 - Attestation Agreed-upon Procedures	Kinkisharyo International LLC	Contractual	11/2014
Operations	15-OPS-A01 - Attestation Agreed-upon Procedures	New Flyer of America, Inc.	Contractual	12/2014
Program Management	15-CON-A01A - Attestation Agreed-upon Procedures	JL Patterson & Associates, Inc.	Contractual	12/2014
Program Management	15-CON-A01B - Attestation Agreed-upon Procedures	MARRS Services, Inc.	Contractual	12/2014
Program Management	15-CON-A01C - Attestation Agreed-upon Procedures	Kal Krishnan Construction Services, Inc.	Contractual	12/2014

## Appendix A

<b>Contract Pre-Award Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Contractor</b>	<b>Requirement</b>	<b>Date Completed</b>
Program Management	15-CON-A01D - Attestation Agreed-upon Procedures	URS Corporation	Contractual	12/2014
Program Management	15-CON-A01E - Attestation Agreed-upon Procedures	Safework, Inc.	Contractual	12/2014
Vendor/Contract Management	15-ADM-A02 - Attestation Agreed-upon Procedures	Pacific Coast Regional Small Business Development Corporation	Contractual	12/2014
Program Management	15-CON-A04B - Attestation Agreed-upon Procedures	HNTB	Contractual	2/2015
Program Management	15-CON-A04A - Attestation Agreed-upon Procedures	Biggs Cardosa Associates	Contractual	2/2015
Planning & Development	15-CON-A07 - Attestation Agreed-upon Procedures	AECOM Technical Services, Inc.	Contractual	3/2015
Congestion Reduction	15-PLN-A19 - Attestation Agreed-upon Procedures	Jacobs Engineering Group, Inc.	Contractual	3/2015
Congestion Reduction	15-PLN-A16 - Attestation Agreed-upon Procedures	CDM Smith, Inc.	Contractual	3/2015
Program Management	15-PLN-A17 - Attestation Agreed-upon Procedures	Mark Thomas & Company, Inc.	Contractual	3/2015

## Appendix A

<b>Contract Pre-Award Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Contractor</b>	<b>Requirement</b>	<b>Date Completed</b>
Planning & Development	15-PLN-A18 - Attestation Agreed-upon Procedures	AECOM Technical Services, Inc.	Contractual	4/2015
Operations	15-OPS-A07 - Attestation Agreed-upon Procedures	ARINC (Rockwell Collins)	Contractual	4/2015
Program Management	15-CON-A03A - Attestation Agreed-upon Procedures	STV Incorporated	Contractual	4/2015
Program Management	15-CON-A03B - Attestation Agreed-upon Procedures	Pacific Railway Enterprises, Inc.	Contractual	5/2015
Planning & Development	15-PLN-A23B - Attestation Agreed-upon Procedures	Parsons Brinckerhoff, Inc.	Contractual	5/2015
Planning & Development	15-PLN-A25 - Attestation Agreed-upon Procedures	Moore Iacofano Goltsman, Inc.	Contractual	5/2015
Planning & Development	15-PLN-A24B - Attestation Agreed-upon Procedures	LSA Associates, Inc.	Contractual	5/2015
Planning & Development	15-PLN-A24A - Attestation Agreed-upon Procedures	AECOM Technical Services, Inc.	Contractual	5/2015
Program Management	15-CON- A05 - Attestation Agreed-upon Procedures	Arcadis US, Inc.	Contractual	6/2015

## Appendix A

<b>Contract Pre-Award Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Contractor</b>	<b>Requirement</b>	<b>Date Completed</b>
Planning & Development	15-PLN-A21C - Attestation Agreed-upon Procedures	Accel Employment Services, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A21E - Attestation Agreed-upon Procedures	Toole Design Group, LLC	Contractual	6/2015
Planning & Development	15-PLN-A21D - Attestation Agreed-upon Procedures	Alameda Park Street Bicycles, Inc.	Contractual	6/2015
Program Management	15-CON- A03C - Attestation Agreed-upon Procedures	J.L. Patterson & Associates, Inc.	Contractual	6/2015
Program Management	15-PLN-A22C - Attestation Agreed-upon Procedures	ICF International	Contractual	6/2015
Program Management	15-PLN-A22B - Attestation Agreed-upon Procedures	WKE, Inc.	Contractual	6/2015
Program Management	15-PLN-A22A - Attestation Agreed-upon Procedures	Parsons Transportation Group, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A21A - Attestation Agreed-upon Procedures	Bicycle Transit Systems, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A21B - Attestation Agreed-upon Procedures	B-Cycle, LLC	Contractual	6/2015



## Appendix A

<b>Contract Pre-Award Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Contractor</b>	<b>Requirement</b>	<b>Date Completed</b>
Planning & Development	15-PLN-A21F - Attestation Agreed-upon Procedures	Kiosk Information Systems, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A27C - Attestation Agreed-upon Procedures	Arup Americas Group	Contractual	6/2015
Planning & Development	15-PLN-A23A - Attestation Agreed-upon Procedures	JM Diaz, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A27E - Attestation Agreed-upon Procedures	Hatch Mott MacDonald, LLC	Contractual	6/2015
Planning & Development	15-PLN-A27D - Attestation Agreed-upon Procedures	Innovative Engineering Group, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A27A - Attestation Agreed-upon Procedures	Gruen Associates	Contractual	6/2015
Planning & Development	15-PLN-A27G - Attestation Agreed-upon Procedures	The Solis Group	Contractual	6/2015
Planning & Development	15-PLN-A27F - Attestation Agreed-upon Procedures	Lenax Construction Services, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A27B - Attestation Agreed-upon Procedures	Grimshaw Architects, P.C.	Contractual	6/2015

## Appendix A

<b>Contract Pre-Award Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Contractor</b>	<b>Requirement</b>	<b>Date Completed</b>
Congestion Reduction	15-PLN-A30 - Attestation Agreed-upon Procedures	Parson Brinckerhoff, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A29A - Attestation Agreed-upon Procedures	Parsons Transportation Group, Inc.	Contractual	6/2015
Planning & Development	15-PLN-A29B - Attestation Agreed-upon Procedures	Parsons Transportation Group, Inc.	Contractual	6/2015
Program Management	15-PLN-A22D - Attestation Agreed-upon Procedures	Guida Surveying, Inc.	Contractual	6/2015
Program Management	15-CON-A02C - Attestation Agreed-upon Procedures	Ninyo & Moore, Geotechnical Consultants	Contractual	6/2015
Program Management	15-CON-A02D - Attestation Agreed-upon Procedures	Ramos Consulting Services, Inc.	Contractual	6/2015
Program Management	15-CON-A02A - Attestation Agreed-upon Procedures	MARRS Services Inc.	Contractual	6/2015

## Appendix B

<b>Incurred Cost Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Grantee</b>	<b>Requirement</b>	<b>Date Completed</b>
Program Management	14-PLN-A16 - Closeout	Caltrans	Contractual	8/2014
Program Management	14-PLN-A28 - Closeout	City of El Segundo	Contractual	8/2014
Program Management	13-PLN-A04 - Closeout	I-5 Joint Powers Authority	Contractual	8/2014
Planning & Development	12-PLN-G09 - Closeout	County of Los Angeles	Contractual	8/2014
Planning & Development	12-PLN-A12 - Closeout	County of Los Angeles	Contractual	8/2014
Planning & Development	14-PLN-A17 - Closeout	City of Los Angeles	Contractual	9/2014
Program Management	14-PLN-A15 - Closeout	Caltrans	Contractual	9/2014
Program Management	13-PLN-A02 - Closeout	Caltrans	Contractual	9/2014
Planning & Development	12-PLN-A11 - Closeout	City of Los Angeles	Contractual	9/2014

## Appendix B

<b>Incurred Cost Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Type</b>	<b>Grantee</b>	<b>Requirement</b>	<b>Date Completed</b>
Planning & Development	14-PLN-A20- Closeout	City of Los Angeles	Contractual	10/2014
Planning & Development	14-PLN-A32- Closeout	City of Los Angeles	Contractual	10/2014
Planning & Development	14-PLN-A30 - Closeout	City of Redondo Beach	Contractual	10/2014
Planning & Development	14-PLN-A29 - Closeout	County of Los Angeles	Contractual	10/2014
Planning & Development	14-PLN-A19 - Closeout	County of Los Angeles	Contractual	11/2014
Program Management	12-PLN-A13 - Closeout	Caltrans	Contractual	11/2014

## Appendix C

<b>Internal Audit FY 2015 - Audits Completed During Fiscal Year</b>				
<b>Area</b>	<b>Audit Number &amp; Title</b>	<b>Description</b>	<b>Risk</b>	<b>Date Completed</b>
Congestion Reduction	12-HCP-P01 - Performance Audit of Metro Freeway Service Patrol	Evaluate project management and contract performance.	High	9/2014
Operations	13-OPS-P03 - Performance Audit of ATMS Utilization	Evaluate the efficiency and effectiveness ATMS utilization.	High	12/2014
Finance & Administration	11-MET-F01 - Performance Audit of Metrolink Use of TAP Funds	Validate costs claimed were allowable and allocable, adequately supported and met the objectives of grant terms and conditions.	High	12/2014
Information Technology	14-ADM-P01 - Performance Audit of Mobile Devices	Evaluate efficiency and effectiveness of mobile device security and controls for personal usage.	High	4/2015
Operations	14-OPS-P03 - Performance Audit of Operations Training Tracking System	To evaluate efficiency and effectiveness of Operations Training and Tracking System.	High	6/2015

## Appendix D

<b>Internal Audit FY 2015 - Progress Toward Completing Audit Plan</b>			
<b>Area</b>	<b>Audit Number &amp; Title</b>	<b>Description</b>	<b>Estimated Date of Completion</b>
Finance & Administration	10-ACC-F04 - Chart of Accounts	Verify that the Chart of Accounts adequately reflects the current business process and reporting needs.	7/2015
Operations	13-OPS-P02 - Non-Revenue Vehicle Usage (Agencywide)	Evaluate efficiency and effectiveness of bus division non-revenue vehicle usage.	8/2015
Operations	13-OPS-P06 - Contracted Bus Services	Evaluate the efficiency and effectiveness of contracted bus services contracts.	9/2015
Vendor / Contract Management	13-ADM-P01 - RFP Process	Assess efficiency and effectiveness and timeliness of Procurement's RFP processes.	9/2015
Operations	13-OPS-P04 - Operations KPI Audit	Evaluate the accuracy and completeness of Operations KPIs.	10/2015
Vendor / Contract Management	13-ADM-O02 - Automated Storage and Retrieval System Phase I & II	Evaluate the adequacy of internal controls over the Automated Storage and Retrieval System (ASRS).	10/2015
Planning & Development	14-EDD-P01 - Real Estate Property Management Follow-up	Evaluate accuracy and completeness of tracking real estate properties in Real Property Management System.	10/2015
Program Management	14-TPD-P01 - Construction Change Order Process	Evaluate the efficiency and effectiveness of the construction change order process including effectiveness of estimating process.	11/2015
Vendor / Contract Management	13-CEO-P01 - Cost Estimating Process	Assess efficiency and effectiveness and timeliness of Procurement's cost estimating process.	11/2015
Operations	12-OPS-P01 - Rail Overhead and Maintenance	Evaluate the efficiency and effectiveness of the Rail Overhaul and Refurbishment Program.	12/2015

## Appendix D

<b>Internal Audit FY 2015 - Progress Toward Completing Audit Plan</b>			
<b>Area</b>	<b>Audit Number &amp; Title</b>	<b>Description</b>	<b>Estimated Date of Completion</b>
Operations	12-ROP-001 - Wayside System	Evaluate effectiveness of maintenance of the Rail signaling systems.	12/2015
Finance & Administration	10-ACC-F01 - Accounts Receivable	Validate adequacy of current policies and procedures.	1/2016
Vendor / Contract Management	12-ADM-I01 - Contract Information Management System	Assess the system implementation process to acquire, design, test and implement the Contract Information Management System that meets specific functionalities required by the MTA business processes.	1/2016
Program Management	12-CON-P03 - I-405 Follow-up	Verify if management's corrective actions from the prior audit were implemented and resulting in improvements.	12/2016
Program Management	10-CPC-K02 - Third Party Utility Relocation Agreement Efficiency	Assess the adequacy and effectiveness of the Third Party Utility Relocation.	12/2016