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

File #: 2022-0681, **File Type:** Informational Report **Agenda Number:** 14.

FINANCE, BUDGET, AND AUDIT COMMITTEE
OCTOBER 19, 2022

SUBJECT: AUDIT OF MISCELLANEOUS EXPENSES FOR THE PERIOD OF APRIL 1, 2022 TO JUNE 30, 2022

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General (OIG) Final Report on the Statutorily Mandated Audit of Miscellaneous Expenses for the Period of April 1, 2022 to June 30, 2022.

ISSUE

The Office of the Inspector General (OIG) performed an audit of Metro miscellaneous expense transactions processed from April 1, 2022 to June 30, 2022. This audit was performed pursuant to Public Utilities Code section 130051.28(b) which requires the OIG to report quarterly to the Board of Directors on the expenditures of the Los Angeles County Metropolitan Transportation Authority (Metro) for miscellaneous expenses such as travel, meals, refreshments, and membership fees.

BACKGROUND

All Metro expenditures are categorized into various expense accounts and recorded in Metro's Financial Information System (FIS). Metro employees have several options for seeking payment for miscellaneous expenses incurred, such as check requests, purchase cards, purchase orders, and travel & business expense reports. Each option has its own policies, procedures, or guidelines.

The Accounting Department's Accounts Payable Section is responsible for the accurate and timely processing of payment for miscellaneous expenses.

This audit covered a review of Metro miscellaneous expenses for the period of April 1, 2022 to June 30, 2022. For this period, miscellaneous expenses totaled $4,154,394 with 879 transactions. We selected 55 expense transactions totaling $719,687 for detail testing.

DISCUSSION

Findings

The miscellaneous expenses we reviewed for the quarter of April 1 to June 30, 2022 generally complied with Metro policies and procedures, were reasonable, and were adequately supported by required documents. However, we found three issues during the audit: (1) Goods were delivered to employee's home address, (2) incorrect meal per diem was inadvertently reported on Travel and Business Expense (TBE) Report, and (3) a late submission of TBE Report.

The staff explained that their non-compliance with the policy was due to oversight and staff turnover.

The Office of the Inspector General provided recommendations to address the issues.

Recommendations

We recommend the following:

Accounting

1. Update Travel and Business Expense (FIN 14) policy to limit goods eligible for reimbursement through Travel and Business Expense Report to be delivered to a Metro business address unless prior written approval is received from the approving official.

County Counsel

2. Ensure administrative staff leaving the department complete or transfer to replacement staff the processing of Travel and Business Expense Report in a timely manner.

Human Capital and Development (Workforce Services) and Operations (Expresslanes)

3. Remind staff to thoroughly review the Travel and Business Expense (TBE) Report for accuracy to ensure that the traveler is reimbursed correctly for legitimate business expense.

4. Confirm the newly implemented electronic notification process to notify travelers who have not submitted their TBE reports is working.

FINANCIAL IMPACT

There is no financial or budgetary impact by accepting the report, but compliance with the recommendations would contribute in minor respects to cost savings and controls.

EQUITY PLATFORM

It is OIG's opinion that there is no equity consideration or impact in this audit.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendations support strategic plan goal no. 5.2: Metro will exercise good public policy judgment and sound fiscal stewardship.

NEXT STEPS

Metro management will implement corrective action plans.

ATTACHMENTS

Attachment A: Final Report on Statutorily Mandated Audit of Miscellaneous Expenses for the Period April 1, 2022 to June

30, 2022 (Report No. 23-AUD-02)

Attachment B: PowerPoint Presentation

Prepared by: Asuncion Dimaculangan, Senior Auditor, (213) 244-7311
Yvonne Zheng, Senior Manager, Audit, (213) 244-7301
George Maycott, Senior Director, Special Projects, (213) 244-7310

Reviewed by: Karen Gorman, Inspector General, (213) 922-2975

ATTACHMENT A
LEGISTAR FILE # 2022-0681

Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General

Statutorily Mandated Audit of Miscellaneous Expenses April 1, 2022 to June 30, 2022

Report No. 23-AUD-02

September 28, 2022

Metro

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Los Angeles County
Metropolitan Transportation Authority

Metro

Office of the Inspector General
818 West 7th Street, Suite 500
Los Angeles, CA 90017

213.244.7300 Tel
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DATE: September 28, 2022

TO: Metro Board of Directors
Metro Chief Executive Officer

FROM: Yvonne Zheng, Senior Manager, Audit
Office of the Inspector General

E-SIGNED by Yvonne Zheng
on 2022-09-28 09:25:40 PDT

SUBJECT: Final Report: Statutorily Mandated Audit of Metro Miscellaneous Expenses
April 1, 2022 to June 30, 2022 (Report No. 23-AUD-02)

INTRODUCTION

The Office of the Inspector General (OIG) performed an audit of Metro miscellaneous expense transactions processed from April 1, 2022 to June 30, 2022. This audit was performed pursuant to Public Utilities Code, Section 130051.28(b) which requires the OIG to report quarterly to the Board of Directors on the expenditures of the Los Angeles County Metropolitan Transportation Authority (Metro) for miscellaneous expenses such as travel, meals, refreshments, and membership fees.

We found that the transactions reviewed generally complied with Metro policies, were reasonable, and were adequately supported by required documents. However, we noted the following issues on three of the sampled expenses reviewed:

- Goods delivered to employee's home address
- Incorrect meal per diem on Travel and Business Expense (TBE) Report
- Late submission of TBE Report

OBJECTIVES, METHODOLOGY AND SCOPE OF AUDIT

The objectives of the audit were to determine whether:

- Expenses charged were proper, reasonable, and in accordance with Metro policies and procedures;
- Expenses had proper approval, receipts, and other supporting documentation; and
- Policies and procedures were adequate and followed to ensure that expenses were documented and accounted for properly.

To achieve the audit objectives, we performed the following procedures:

- Obtained and reviewed applicable policies and procedures;
- Interviewed Metro personnel including staff in Accounting, County Counsel, Communications, Human Capital and Development, Operations, Program Management, System Security and Law Enforcement, and Vendor/Contract Management; and
- Reviewed invoices, receipts, justification memos, and other supporting documents.

This audit covered a review of Metro miscellaneous expenses for the period of April 1, 2022 to June 30, 2022. For this period, miscellaneous expenses totaled $4,154,394[1] with 879 transactions. We selected 55 expense transactions totaling $719,687 for detail testing. Thirty-one (31) of the expense transactions were randomly selected, seven (7) were selected due to their large dollar amounts, and seventeen (17) were selected to add more samples for seminars and conference fees and to sample other accounts. See Attachment A for details.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

BACKGROUND

All Metro expenditures are categorized into various expense accounts and recorded in Metro's Financial Information System (FIS). Metro employees have several options for seeking payment for miscellaneous expenses incurred, such as check requests, purchase cards, purchase orders, and travel & business expense reports. Each option has its own policies, procedures, or guidelines.

The Accounting Department's Accounts Payable section is responsible for the accurate and timely processing of payment for miscellaneous expenses.

RESULTS OF AUDIT

The audit found that the transactions reviewed generally complied with policies, were reasonable, and adequately supported by required documents. However, we noted issues on the following transactions:

[1] This total does not include transactions that were less than $200, offsetting debits/credits, and transactions from the OIG and Transit Court Departments.

1. Goods Delivered to Employee's Home Address

In June 2022, the Manager of Cost Center 5110 (Accounting) used her personal credit card to purchase materials and supplies, mostly from Amazon, which would be used for the department's Year End Retreat/Team Building on September 29, 2022. She was reimbursed $2,719.80 upon submission of a Travel and Business Expense Report. Some items were shipped to Gateway; however, most items were shipped to the employee's home address.

The employee explained that "*the purchases were shipped to my billing address as my team and I were teleworking or out of the office during the estimated delivery dates and not in the office to receive the goods."* She said that all items have been received and stowed in their storage room at Gateway. She added that prior to the audit, she had been advised by her Management that all items must be sent directly to Metro offices and will ensure that all future purchases are coordinated accordingly.

While there is no specific provision in the Travel and Business Expense (FIN 14) and Teleworking (HR 19) policies prohibiting delivery of goods to non-Metro address, Metro's Purchase Card program does. The Purchase Card Program policy states that when placing an order, staff should "*arrange to have the packages delivered to the Cardholder's Metro business location only."* The employee did not violate those policies.

However, Metro should consider if it is prudent to indicate in FIN14 and/or HR19 whether it will impose restrictions or procedures for TBA reimbursements similar to the P-Card policy. The most secure method is to follow the same procedures as the P-Card policy requires which is for all such items to be delivered to Metro business locations only to ensure purchases are accounted for and are safe, secured and controlled in a Metro business location. However, based on modern telecommuting practices, some additional flexibility might be considered.

2. Incorrect Meal per Diem on Travel and Business Expense Report

Metro's Deputy Chief Operations Officer attended the Intelligent Transportation Society of California Annual Conference in Burlingame, California from May 15 to 18, 2022. She submitted her Travel and Business Expense (TBE) report with a total reimbursable amount of $703.30, which included $172.00 for meals.

During the conference, breakfast and lunch were provided to the attendees. The Travel and Business Expense (FIN 14) policy states that meals included in conference registration fees occurring while on travel status will reduce the total daily meal reimbursement.

However, we found that the TBE Report erroneously included a meal per diem of $38.50 on May 18, 2022, instead of $20.50, to reduce the amount for lunch provided in the conference. The current per diem for lunch in California as provided by the U.S. General Services Administration is $18.00.

The Senior Administrative Analyst informed us that she completed the TBE report on behalf of the traveler and inadvertently included the per diem for lunch. Upon our request, the traveler paid back $18.00 to Metro and stated that they will more closely review the guidelines and their submission in the future.

The traveler, the preparer and the Travel Program Administrator should thoroughly review the TBE Report for accuracy to ensure that the traveler is reimbursed correctly for business expenses in accordance with Metro's policies.

3. Late Submission of Travel and Business Expense Report

Metro's Deputy County Counsel attended the Southern California Eminent Domain Conference in San Diego, California from March 3 to 4, 2022. However, Accounting did not receive her Travel and Business Expense (TBE) Report with reimbursable expenses of $1,409.93 until June 21, 2022, which was more than three months after the date of returning from the travel.

The Travel and Business Expense (FIN 14) policy requires that the "*TBE Report must be completed, approved and delivered to the Travel Program Administrator within 30 calendar days of the date of returning from travel, or from date of credit card statement.*"

The Deputy County Counsel explained *"I submitted all of my travel documents to my administrative assistant by 3/21/22 and was under the impression it had all been submitted timely until I sent a follow up email to check the status and found out it was not yet submitted."* She stated that the delay was due to staff turnover during that time. She also said the administrative assistant was reassigned to another division and there were complications in finding out how the new staff could submit the report.

In our prior audit report, Audit of Miscellaneous Expenses, January 1 to March 31, 2020, (Report No. 21-AUD-01), we recommended that Human Capital and Development coordinate with Information Technology Services for the implementation of the electronic notification process so travelers who have not submitted their TBE reports are notified. We reiterated this recommendation in our Audit of Miscellaneous Expenses, April 1 to June 30, 2021 (Report No. 22-AUD-03). The Manager of Workforce Services informed us that the electronic notification process is now implemented in August of this year. The manager stated, "*With the implementation of notifications and the Executive Directive by the CEO memo, that TBEs submitted over 30 days require CEO approval, I am certain we will see more [timely submittal of TBEs] come through in the next coming weeks.*"

To ensure financial accountability and accuracy for Metro employee travel, Metro's Chief Financial Officer issued an agency-wide memo on July 21, 2022, revising the Travel & Business Expense (FIN 14) policy so that all TBE reports must be approved by the Chief Executive Officer (CEO) or designee if they have not been submitted within 30 days after travel.

This amendment to the FIN 14 policy should result in a more timely submission of TBE Reports to ensure accountability of travel expenses. This will promote expenses being recorded in the proper accounting period in order for the department's budget balances to be updated.

OBSERVATION

Comparison of Miscellaneous Expenses for the Current Period with Prior Period/Year

In the course of our audit, we noted the following when comparing the miscellaneous expenses for prior quarters and fiscal years. (Note: All amounts were based on audit population.)

a. Current Quarter (FY22 Q4) vs. Prior Quarter (FY22 Q3) Miscellaneous Expenses

Miscellaneous expenses this quarter increased by $3.4 million or more than four times as compared to the prior quarter. This was mainly attributed to the increase of almost $3 million in advertising expenses for Metro Micro, Bus Operator Recruitment Campaign, Transit Watch, Rail Safety Programs Campaign, and others. In June, the end of Metro's fiscal year (FY), the cost centers accrued advertising expenses budgeted for FY 2022.

Account # 50999 (miscellaneous) which is also a component of Miscellaneous expenses, also increased by $281,134 due to payments for various subscriptions as well as sponsorship in various events such as Leimert Park Juneteenth Festival, Long Beach Juneteenth Celebration, and others. See Table 1 below.

Table 1: Current Quarter vs. Prior Quarter

Account	Apr-Jun 2022	Jan-Mar 2022	Increase (Decrease)
Advertising	$ 3,014,383	$ 172,558	$ 2,841,825
Business Meals	53,894	18,883	35,011
Business Travel	183,540	22,014	161,526
Corporate Membership	184,048	192,334	(8,286)
Professional Membership	14,673	12,483	2,190
Seminar and Conference Fee	133,625	64,788	68,837
Miscellaneous (50999) *	537,924	256,790	281,134
Others (Mileage and Parking, etc.)	32,307	19,538	12,769
Total	**$ 4,154,394**	**$ 759,388**	**$ 3,395,006**
Increase Over Prior Quarter			**447%**

*Miscellaneous (account number 50999) is used for miscellaneous expenses incurred that cannot be classified under accounts 50901 to 50940, including payments made to cover the expenditure of fines and penalties incurred by Metro, books and periodicals used in the normal operation of Metro's business, recruitment expenses, community outreach, postage, and others. (Source: Metro's Descriptive Chart of Accounts)

b. Current Quarter (FY22 Q4) vs. Same Quarter of Prior Year (FY21 Q4) Miscellaneous Expenses

Miscellaneous expenses for the current quarter posted an increase of about $200,000 or 5% as compared to the same quarter of FY 21. This was brought about by an increase in Business Travel and account # 50999 (miscellaneous). See Table 2 below.

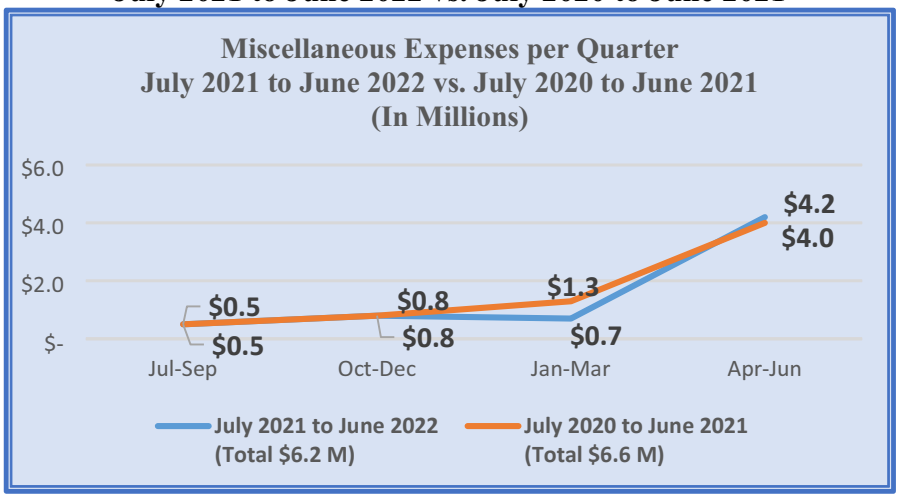
Table 2: Current Quarter vs. Same Quarter of Prior Year

Account	Apr-Jun 2022	Apr-Jun 2021	Increase (Decrease)
Advertising	$ 3,014,383	$ 3,162,947	$ (148,564)
Business Meals	53,894	2,446	51,448
Business Travel	183,540	17,476	166,064
Corporate Membership	184,048	298,579	(114,531)
Professional Membership	14,673	18,625	(3,952)
Seminar and Conference Fee	133,625	59,466	74,159
Miscellaneous (50999) *	537,924	385,221	152,703
Others (Mileage & Parking, etc.)	32,307	16,346	15,961
Total	**$ 4,154,394**	**$ 3,961,106**	**$ 193,288**
Increase Over Same Quarter of Prior Year			**5%**

c. July 2021 to June 2022 (FY 22) vs. July 2020 to June 2021 (FY 21)

Miscellaneous expenses of $6.2 million for FY 22 posted a decrease of $400,000 or 6% as compared with $6.6 million in FY 21. This was mainly due to lower advertising expenses of $3.5 million in the current fiscal year as compared with $4 million in the prior fiscal year. See Figure 1.

Figure 1: Miscellaneous Expenses per Quarter
July 2021 to June 2022 vs. July 2020 to June 2021

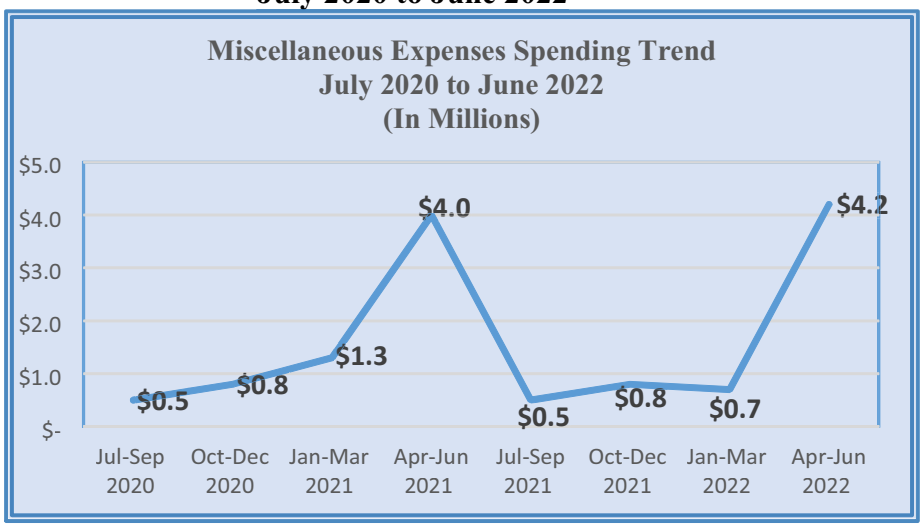


Miscellaneous expenses for the first two quarters in FY 21 and FY 22 (i.e. quarters ended September 30 and December 31) posted the same amounts at approximately $500,000 and $800,000, respectively.

As shown in Figure 1, miscellaneous expenses increased significantly at the end of each fiscal year due to accruals made in June to record expenses, especially advertising, which were budgeted in respective years.

Figure 2 shows the spending trend for miscellaneous expenses for the last two years:

Figure 2: Miscellaneous Expenses Spending Trend
July 2020 to June 2022



As discussed in the section Observation (a**)** above, out of $4.2 million expenses for the quarter ended June 30, 2022, $3 million or 71% was spent for advertising on media campaigns on Metro Micro, Bus Operator Recruitment Campaign, Transit Watch, Rail Safety Programs campaign, and others. Similarly, for the quarter ended June 30, 2021, out of $4 million miscellaneous expenses, $3.2 million or 80% was spent on advertising.

CONCLUSION

The miscellaneous expenses we reviewed for the quarter of April 1 to June 30, 2022 generally complied with Metro policies and procedures, were reasonable, and were adequately supported by required documents. However, we found three issues during the audit: (1) Goods were delivered to an employee's home address, (2) incorrect meal per diem was inadvertently reported on Travel and Business Expense (TBE) Report, and (3) a late submission of TBE Report.

The staff explained that their non-compliance with the policy was due to oversight and staff turnover.

The Office of the Inspector General provided recommendations to address the issues.

RECOMMENDATIONS

We recommend the following:

Accounting

1. Update Travel and Business Expense (FIN 14) policy to limit goods eligible for reimbursement through Travel and Business Expense Report to be delivered to a Metro business address unless prior written approval is received from the approving official.

County Counsel

2. Ensure administrative staff leaving the department complete or transfer to replacement staff the processing of Travel and Business Expense Report in a timely manner.

Human Capital and Development (Workforce Services) and Operations (Expresslanes)

3. Remind staff to thoroughly review the Travel and Business Expense (TBE) Report for accuracy to ensure that the traveler is reimbursed correctly for legitimate business expenses.

4. Confirm the newly implemented electronic notification process to notify travelers who have not submitted their TBE reports is working.

MANAGEMENT COMMENTS TO RECOMMENDATIONS

On September 20, 2022, we provided Metro Management a draft report. By September 27, 2022, Metro Management had submitted their responses summarizing their corrective actions as shown in Attachment B.

OIG EVALUATION OF MANAGEMENT RESPONSE

Metro Management's responses and corrective actions taken are responsive to the findings and recommendations in the report. Therefore, we consider all issues related to the recommendations resolved and closed based on the corrective actions taken.

Summary of Sampled Expenses Audited
April 1, 2022 to June 30, 2022

Account	*Account Description*	*Audit Population*		*Sample Amount*
50213	Training Program	$ 18,140		$ 7,154
50903	Business Meals	53,894		37,931
50905	Corporate Membership	184,048		139,768
50908	Employee Relocation	9,996		9,996
50910	Mileage and Parking	4,171		363
50912	Professional Membership	14,673		1,727
50914	Schedule Checkers Travel <a>	0		0
50915	Seminar and Conference Fee	133,625		31,511
50917	Business Travel	183,540		7,821
50918	Advertising	3,014,383		390,037
50930	Employee Activities & Recreation <b>	0		0
50999	Other Miscellaneous Expenses	537,924		93,379
	Total	**$4,154,394**	<c>	**$719,687**

<a> Excluded from audit population; transactions were less than $200.
<b> No expenses incurred for this quarter.
<c> This total does not include transactions that were less than $200, offsetting debits/credits, and transactions from the OIG and Transit Court Departments.

Management Comments to Draft Report

Metro Interoffice Memo

Date	October 3, 2022
To	Yvonne Zheng Senior Manager Audit Office Inspector General
Through	Nalini Ahuja Chief Financial Officer
From	Jesse Soto Jesse Soto SR. Executive Officer. Finance/Controller
Subject	Response to OIG Draft Report on Statutorily Mandated Audit of Micellaneous Expenses April 1, 2022 to June 30, 2022 (Report No. 23-AUD-02)

OVERVIEW

I have reviewed the results of the subject draft report, and I concur with your recommendation.

PROPOSED CORRECTIVE ACTIONS

I recognize that the Travel and Business Expense (FIN #14) policy be updated to limit goods eligible for reimbursement through the Travel and Business Expense report to be delivered to a Metro business address. The update will be like the P-Card policy that requires for all such items to be delivered to Metro business locations to ensure purchases are accounted for and safe, secured and controlled in a Metro business location.

- In response to the recommendation, the update to the FIN #14 policy will be done by December 31, 2022. The Senior Director of Accounting, Accounting Operations section will oversee the implementation.

Should you have any questions, please feel free to call me.

Thank you.

CC: Juan Cordero, SR. Director, Accounting
Alice Tran, MGR, Administration & Finance Services
Ernest Ruben, Principal Transportation Planner
Don Howey, EO Administration (Interim)

Management Comments to Draft Report

Metro

Interoffice Memo

Date	**September 27, 2022**
To	**Karen Gorman** **Inspector General**
From	**Charles M. Safer** CMS **Assistant County Counsel**
Subject	**Management Response to the Audit of Metro Miscellaneous Expenses April 1, 2022 to June 30, 2022 (Report No. 23-AUD-02)**

County Counsel has received and reviewed the Audit of Metro Miscellaneous Expenses for transactions processed from April 2022 – June 2022. The report includes the following recommendation for County Counsel.

Recommendation: Ensure administrative staff leaving the department complete or transfer to replacement staff the processing of Travel and Business Expense Report in a timely manner.

Response: Agree with recommendation: As of the date of this memo, County Counsel staff have been reminded to submit Travel and Business Expense Reports ("TBE Reports") in a timely manner to the Travel Program Administrator, and no later than 30 days of the date returning from travel or from date of the credit card statement. In addition, County Counsel administrative staff have been instructed to complete or transfer to other staff, the processing of TBE Reports prior to leaving the department.

CC: Yvonne Zheng, Sr. Mgr., Audit
Asuncion Dimaculangan, Sr. Auditor, Inspector General
George Maycott, Sr. Director, Special Projects

Management Comments to Draft Report

Metro Interoffice Memo

Date	September 23, 2022
To	Yvonne Zheng Senior Manager, Audit Office of the Inspector General
From	Robert Bonner Chief People Officer Bryan M. Sastokas Deputy Chief Information Technology Officer
Subject	Statutorily Mandated Audit of Metro Miscellaneous Expenses April 1, 2022 to June 30,2022 (Report No. 23-AUD-02)

Thank you for the opportunity to respond to the findings and recommendations prior to the final release of the Audit Report. It is our understanding that this audit was performed pursuant to Public Utilities Code section 130051.28(b) which requires the OIG to report quarterly to the Board of Directors on the expenditures of the Los Angeles County Metropolitan Transportation Authority for miscellaneous expenses such as travel, meals, refreshments, and memberships. Please see below our responses to the Recommendation.

Recommendation

1. Remind staff to thoroughly review the Travel and Business Expense (TBE) Report for accuracy to ensure that the traveler is reimbursed correctly for legitimate business expense.

   Response: Staff concurs with the recommendation and will ensure that the Travel Program Administrator (TPA) will verify the accuracy of the calculations, check for the completeness of the documentation, including the necessary and appropriate approval before approving an expense report, to proceed with approval hierarchy and final processing by the Accounting Department.

2. Confirm the newly implemented electronic notification process to notify travelers who have not submitted their TBE reports is working.

   Response: The electronic notification process was implemented in August 2022, and travelers are receiving their reminder notifications as scheduled.

Management Comments to Draft Report

Metro Interoffice Memo

Date	**September 27, 2022**
To	**Karen Gorman** **Inspector General**
From	**Conan Cheung** **Chief Operations Officer** CC
Subject	**Operations Management Response to the Audit of Metro Miscellaneous Expenses (Report # 23-AUD-02)**

Operations Management has received and reviewed the Audit of Metro Miscellaneous Expenses for transactions processed from April 1, 2022, to June 30, 2022, in Expresslanes, a unit within Operations. The report includes the following recommendations for Operations:

3. Remind staff to thoroughly review the Travel and Business Expense (TBE) Report for accuracy to ensure that the traveler is reimbursed correctly for legitimate business expense.

4. Confirm the newly implemented electronic notification process to notify travelers who have not submitted their TBE reports is working.

Response: Agree; Expresslanes staff have been advised that they must review and comply with the Travel and Business Expense (TBE) policies to ensure that the traveler is reimbursed correctly. As the audit states, the Senior Administrative Analyst informed the Los Angeles Metro Office of Inspector General (OIG), that the TBE report was completed on behalf of the traveler and inadvertently included the per diem for lunch. Upon OIG's request, the traveler paid back $18.00 to Metro and moving forward the traveler, the preparer and the Travel Program Administrator will thoroughly review the TBE Report for accuracy and will more closely review the guidelines and their submissions.

Operations has verified with Workforce Services, and it has been confirmed that the automated email notification system was released in mid-August and is working. In addition, Workforce Services provided Operations a sample email notification that a traveler received in early September. These actions comply with recommendations three (3) and Four (4) above.

CC: Yvonne Zheng, Sr. Mgr., Audit
Lilia Montoya, DCOO, Operations Administration & Development
Shahrzad Amiri, DCOO, Expresslanes

Final Report Distribution

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Chief Operations Officer
Chief People Officer
County Counsel
Deputy Chief Vendor/Contract Management Officer

Audit of Miscellaneous Expenses April to June 2022

OIG Report No. 23-AUD-02
Karen Gorman, Inspector General

October 19, 2022

Metro

Objectives

The objectives of the audit were to determine whether:

- Expenses charged were proper, reasonable, and in accordance with Metro policies and procedures;
- Expenses had proper approval, receipts, and other supporting documentation; and
- Policies and procedures are adequate to ensure that expenses are documented and accounted for properly.

Metro

Results

- Staff generally complied with Metro policies but we found the following issues:

  - Goods delivered to an employee's home address
  - Incorrect meal per diem on Travel and Business Expense Report
  - Late submission of TBE Report

  Non-compliance was due to oversight and staff turnover.

- OIG provided four recommendations.

Metro