



Metro

Board Report

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

File #: 2025-0584, **File Type:** Informational Report

Agenda Number: 23.

FINANCE, BUDGET, AND AUDIT COMMITTEE SEPTEMBER 18, 2025

SUBJECT: AUDIT OF MISCELLANEOUS EXPENSES FOR THE PERIOD OF JULY 1, 2024, TO SEPTEMBER 30, 2024

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Office of the Inspector General (OIG) Final Report on the Statutorily Mandated Audit of Miscellaneous Expenses for the Period of July 1, 2024, to September 30, 2024.

ISSUE

The Office of the Inspector General (OIG) performed an audit of Metro miscellaneous expense transactions processed from July 1, 2024, to September 30, 2024. 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's miscellaneous expenses for the period of July 1, 2024, to September 30, 2024. For this period, miscellaneous expenses totaled \$3,081,571 with 443 transactions. We selected 60 expense transactions totaling \$1,440,905 for detail testing.

DISCUSSION

Findings

The miscellaneous expenses we reviewed for the period of July 1, 2024, to September 30, 2024, generally complied with Metro policies and procedures, were reasonable, and were adequately supported by required documents. However, we found instances related to how to obtain certain services in an expeditious and cost-effective manner, and non-compliance with P-Card rules and services,

Our review of miscellaneous expenses for the period of July to September 2024, found that the Employee & Labor Relations Department paid \$18,000 by check request for 7 hours of leadership/executive coaching services for a recently promoted employee. The services included (5) 60-minute coaching sessions at \$3,000 for each session, and (2) 45-minute sessions at \$1,500 for each session. The \$18,000 Engagement fee was paid in two installments, an initial payment of \$9,000 upon the start of the services and a final payment for the remaining balance of \$9,000. This was a business decision within Metro's purview, so we self-impose restraint on raising this matter.

We found less costly services of equivalent quality that might have been readily available. Metro's Talent Development Department offers various leadership training classes, including a 12-month Leadership Training Academy. In addition, Metro partners with several external leadership programs that offer training for individuals at various levels of management. According to Metro's Talent Development Department, the costs of these external programs range from an estimated \$3,500 to \$7,000, and the length of these training programs vary from a week to several weeks. The invoice stated that the coaching sessions included general topics such as impactful leadership presence, savvy communication skills, and strategic decision-making capabilities. Our review of these external programs found that they provide training similar to the coaching sessions identified in the invoice for this expense.

Metro encourages and invests in the professional development and personal growth of its employees by continuously offering a variety of training classes and programs. The Employee & Labor Relations Department, when providing training for one of its staff members, could ensure that there are no in-house or partner training classes or programs that provide similar professional services at no cost or at a substantially lower cost, before purchasing these services outside of Metro. This will help ensure that Metro is being fiscally responsible with public funds as it invests in the personal and professional development of its employees.

We support Metro providing its employees, including senior level executives, individual focused training and coaching as needed. Therefore, we encourage Metro to establish a professional services bench for that purpose that is diverse for many different levels and skills needed. Creating a bench for these services will allow Metro to establish a cadre of consultants who have already been vetted, offer quality services at competitive prices on an expedited basis when needed, will reduce time to procure, and avoid the pitfalls of sole-source contracts. In addition, having a bench could also

help ensure that the costs spent on these services are provided at competitive prices that are more uniform across Metro departments. Obtaining such services in this way will help Metro maintain public trust of its practices and expenditures.

Another observation made during the audit is that Purchase Card holders should be reminded to sign the U S Bank statement as acknowledgement of all charges and otherwise comply with Purchase card rules

RECOMMENDATIONS

We recommend the following:

Employee & Labor Relations

1. When providing training or coaching for staff, ensure that there are no equivalent lower cost in-house or external programs for those services that meet the quality and expertise requirements, before purchasing these services outside of Metro at a substantially higher cost.
2. The P-Cardholder should sign the U.S. Bank statement as an acknowledgement of the accuracy and completeness of all charges appearing on the statement.
3. Approving officials should verify that cardholders have signed the bank statement in compliance with P-Card Rules and Guidelines before approving the P-Card Log.

Chief People Office & Vendor/Contract Management

4. Consider creating a talent development bench for multiple disciplines, including executive coaching, to enable Metro management to obtain these types of services in an expeditious and fiscally responsible manner.

EQUITY PLATFORM

It is the OIG's opinion that there are no equity considerations or impacts resulting from this audit.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it contributes to fiscal responsibility and reports

on miscellaneous expenditures of the Los Angeles County Metropolitan Transportation Authority (Metro). The Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency and is consistent with the goals of reducing VMT.

**Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.*

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 of July 1, 2024, to September 30, 2024 (Report No. 25-AUD-08)

Prepared by: Dawn Williams-Woodson, Audit Manager (213) 244-7302
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

Digitally approved by *Karen Gorman*, Inspector General

**Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General**

**Statutorily Mandated Audit of
Miscellaneous Expenses
July 1, 2024 to September 30, 2024**

Report No. 25-AUD-08

August 14, 2025



TABLE OF CONTENTS

OBJECTIVES, METHODOLOGY AND SCOPE OF AUDIT	1
BACKGROUND.....	2
RESULTS OF AUDIT	2
1. Not Exercising Sound Fiscal Stewardship for Metro’s Strategic Goal 5.2	3
2. Non-Compliance with P-Card Rules and Guidelines	4
COMPARISONS WITH PRIOR PERIODS	5
CONCLUSION	8
RECOMMENDATIONS	9
MANAGEMENT COMMENTS TO RECOMMENDATIONS.....	9
OIG EVALUATION OF MANAGEMENT RESPONSE	9
ATTACHMENTS	10
A. Summary of Sampled Expenses Audited	10
B. Management Comments to Draft Report.....	11



Metro

**Los Angeles County
Metropolitan Transportation Authority**

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

213.244.7300 Tel

DATE: August 14, 2025

TO: Metro Board of Directors
Metro Chief Executive Officer

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

SUBJECT: Final Report: Statutorily Mandated Audit of Metro Miscellaneous Expenses
July 1, 2024, to September 30 2024 (Report No. 25-AUD-08)

INTRODUCTION

The Office of the Inspector General (OIG) performed an audit of Metro miscellaneous expense transactions processed from July 1, 2024, to September 30, 2024. 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 with two of the sampled expenses reviewed:

1. Not Exercising Sound Fiscal Stewardship – Metro’s strategic goal 5.2
2. Non-Compliance with P-Card Rules and Guidelines

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;

Statutorily Mandated Audit of Miscellaneous Expenses

July 1, 2024 to September 30, 2024

Office of the Inspector General

Report No. 25-AUD-08

- Interviewed Metro personnel including staff in Employee & Labor Relations, Talent Development, and Vendor/Contract Management; and
- Reviewed invoices, receipts, justification memos, and other supporting documents.

This audit covered a review of Metro's miscellaneous expenses for the period of July 1, 2024, to September 30, 2024. For this period, miscellaneous expenses totaled \$3,081,571¹ with 443 transactions. We selected 60 expense transactions totaling \$1,440,905 for detailed testing. Thirty (30) of the expense transactions were randomly selected, ten (10) were selected due to their large dollar amounts, and twenty (20) were selected to add more samples for account number 50903 (Misc. - Business Meals) and a few 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 respective 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 with 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.

Statutorily Mandated Audit of Miscellaneous Expenses

July 1, 2024 to September 30, 2024

Office of the Inspector General

Report No. 25-AUD-08

1. Not Exercising Sound Fiscal Stewardship for Metro's Strategic Goal 5.2

Our review of miscellaneous expenses for the period of July to September 2024, found that the Employee & Labor Relations Department paid \$18,000 by check request for 7 hours of leadership/executive coaching services for an employee who had recently been promoted. The services included (5) 60-minute coaching sessions at \$3,000 each and (2) 45-minute sessions at \$1,500 each. The \$18,000 Engagement fee was paid in two installments, an initial payment of \$9,000 upon the start of the services and a final payment for the remaining balance of \$9,000.

We found that Metro's Talent Development Department offers various leadership training classes, including a 12-month Leadership Training Academy. In addition, Metro partners with several external leadership programs that offer training for individuals at various levels of management. According to Metro's Talent Development Department, the costs of these external programs range from an estimated \$3,500 to \$7,000, and the length of these training programs vary from a week to several weeks. The invoice stated that the coaching sessions included general topics such as impactful leadership presence, savvy communication skills, and strategic decision-making capabilities. Our review of these external programs found that they provide executive and leadership training similar to the coaching sessions identified in the invoice for this expense.

When we brought this to the attention of the Employee & Labor Relations Department, they stated that the training offered by Metro was not the specific engagement needed to meet the individual employee's needs. In addition, they stated that the training offered by Metro was general leadership courses that are broad in leadership principles, whereas the contractor provided coaching support services that were targeted to this employee's role, responsibilities, and growth in their department.

Metro encourages and invests in the professional development and personal growth of its employees by continuously offering a variety of training classes and programs. The Employee & Labor Relations Department, when providing training for one of its staff members, should ensure that there are no in-house or partner training classes or programs that provide similar professional services at no cost or at a substantially lower cost, before purchasing these services outside of Metro. This will help ensure that Metro is being fiscally responsible with public funds as it invests in the personal and professional development of its employees.

Furthermore, if Metro wants to provide its senior level executives, additional "Individual Focused" executive leadership training, they should consider establishing an executive leadership professional services bench. Creating a bench for these services will allow Metro to establish a list of consultants who have already been vetted, which will help reduce search time when one is needed. In addition, having a bench could also help ensure that the costs spent on these services are better controlled by offering competitive prices that are more uniform across Metro departments. The creation of a leadership professional services bench, allows Metro to support

Statutorily Mandated Audit of Miscellaneous Expenses

July 1, 2024 to September 30, 2024

Office of the Inspector General

Report No. 25-AUD-08

the professional development of its senior level executives and maintain public trust by acting in a fiscally responsible manner.

In addition, if a bench for executive coaching services is established, there would not be a need to use a check request when these services are needed, which by policy requires a justification memo with a description of what the extraordinary circumstances are that require the use of a check request.

Also, we find that this purchase does not align with goal 5.2 of Metro's Strategic Plan to exercise good public policy judgment and sound fiscal stewardship.

Recommendations:

Employee & Labor Relations

- When providing training for staff, ensure there are no cost-free in-house programs or external programs that Metro partners with who provide similar highly qualified training at a substantially lower cost that still meet the quality and expertise level, before purchasing these services outside of Metro.

Chief People Office & Vendor/Contract Management

- Consider creating an executive leadership professional services bench to help ensure that Metro supports the professional development of its senior level executives in a fiscally responsible manner

2. Non-Compliance with P-Card Rules and Guidelines

P-Card Rules and Guidelines state: *"The cardholder must sign the U S Bank statement as acknowledgement of responsible charges."* Our review of the Employee & Labor Relations Department's P-Card Log and Bank statement for June 2024, found that the cardholder did not sign the bank statement. When we brought this issue to the cardholder's attention, she advised that she was having trouble uploading her documents to the P-Card portal, and not signing the bank statement was an oversight.

The approving officials for the Employee & Labor Relations Department should verify that cardholder has signed the bank statement before approving the P-Card Log. This will help ensure that all P-Card Log documents are completed in accordance with P-Card guidelines and cardholder has acknowledged all charges.

Statutorily Mandated Audit of Miscellaneous Expenses

July 1, 2024 to September 30, 2024

Office of the Inspector General

Report No. 25-AUD-08

Recommendations:

Employee & Labor Relations

- The cardholder should sign the U.S. Bank Statement as an acknowledgement of the accuracy and completeness of all charges appearing on the statement.
- Approving officials should verify that the cardholder has signed the bank statement in compliance with P-Card Rules and Guidelines before approving the P- Card Log.

COMPARISONS WITH PRIOR PERIODS

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 the audit population.

1. Reviewed Quarter (FY25 Q1) versus Prior Quarter (FY24 Q4) Miscellaneous Expenses

Miscellaneous expenses in the reviewed quarter totaled \$3,081,581, a 26% decrease in expenses compared to the fourth quarter in FY 2024. This was mainly due to a reduction in Account 50999 – Miscellaneous. Miscellaneous expenses (Account 50999) for the fourth quarter of the last fiscal year totaled \$2,382,699 and \$664,050 for this current quarter, resulting in a \$1,718,649 (72%) decrease in spending. See Table 1 below.

Table 1: Reviewed Quarter versus Prior Quarter

Account	Jul -Sep 2024	Apr -Jun 2024	Increase (Decrease)
Advertising	\$ 1,634,510	\$ 934,691	\$ 699,819
Business Meals	161,931	170,125	(8,194)
Business Travel	139,264	328,761	(189,497)
Corporate Membership	398,633	139,300	259,333
Employee Relocation	0	0	0
Employee Activities and Recreation	0	12,418	(12,418)
Professional Membership	18,501	15,661	2,840
Seminar and Conference Fee	53,777	148,761	(94,984)
Miscellaneous (50999) *	664,050	2,382,699	(1,718,649)
Others (Mileage and Parking, etc.)	10,915	39,584	(28,669)
Total	\$ 3,081,581	\$ 4,172,000	\$ (1,090,419)
Decrease			-26%

Statutorily Mandated Audit of Miscellaneous Expenses

July 1, 2024 to September 30, 2024

Office of the Inspector General

Report No. 25-AUD-08

** 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 expenditures for 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)*

2. Reviewed Quarter (FY25 Q1) versus Same Quarter of Prior Year (FY24 Q1) Miscellaneous Expenses

Miscellaneous expenses for the reviewed quarter increased by \$1,337,928 or 77% as compared to the same quarter of FY24. This was mainly due to an increase in Account 50918 - Advertising and Account 50905 – Corporate Membership. Advertising and Corporate Membership, increased 117% and 416% respectively from the first quarter in the prior fiscal year. See Table 2 below.

Table 2: Reviewed Quarter versus Same Quarter of Prior Year			
Account	Jul -Sep 2024	Jul -Sep 2023	Increase (Decrease)
Advertising	\$ 1,634,510	\$ 753,702	\$ 880,808
Business Meals	161,931	90,606	71,325
Business Travel	139,264	84,113	55,151
Corporate Membership	398,633	77,200	321,433
Employee Relocation	0	0	0
Employee Activities and Recreation	0	0	0
Professional Membership	18,501	11,875	6,626
Seminar and Conference Fee	53,777	85,386	(31,609)
Miscellaneous (50999) *	664,050	629,790	34,260
etc.)	10,915	10,981	(66)
Total	\$ 3,081,581	\$ 1,743,653	\$ 1,337,928
Increase Over Same Quarter of Prior Year			77%

Statutorily Mandated Audit of Miscellaneous Expenses

July 1, 2024 to September 30, 2024

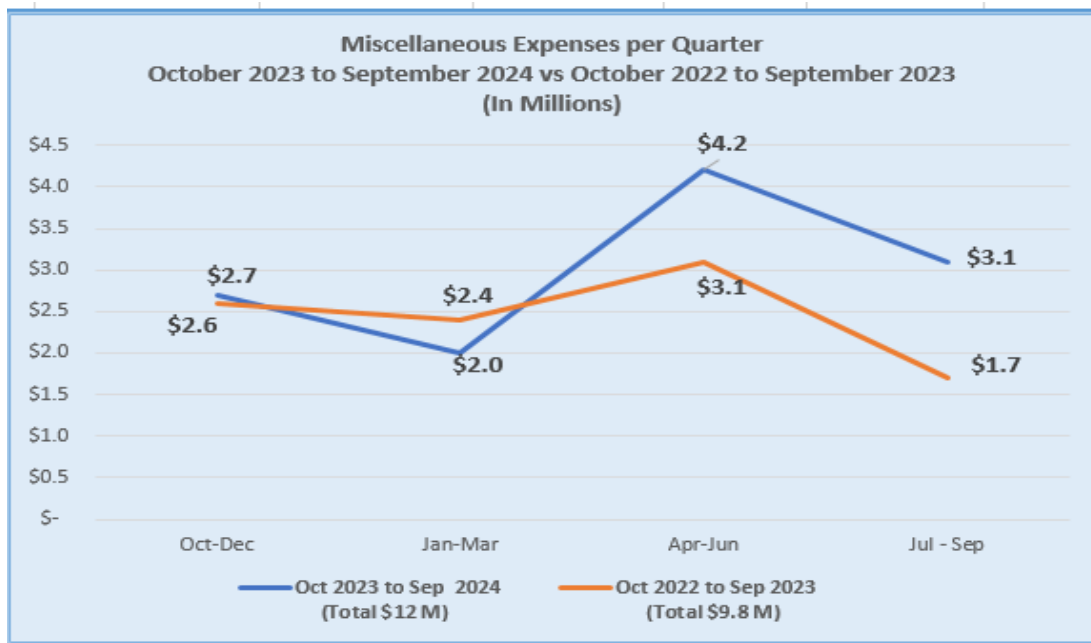
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Report No. 25-AUD-08

3. October 2023 to September 2024 versus October 2022 to September 2023

Miscellaneous expenses for the period October 2023 to September 2024 totaled \$11,962,230, a 22% increase from the period October 2022 to September 2023, where expenses totaled \$9,785,962. In each period, April to June, which is the last quarter of Metro's fiscal year, incurred the most expenses. In the fourth quarters of Fiscal Years 2023 and 2024, miscellaneous expenses totaled approximately \$3.1 million and \$4.2 million respectively. See Figure 1 below.

**Figure 1: Miscellaneous Expenses per Quarter
October 2023 to September 2024 versus October 2022 to September 2023**



Statutorily Mandated Audit of Miscellaneous Expenses

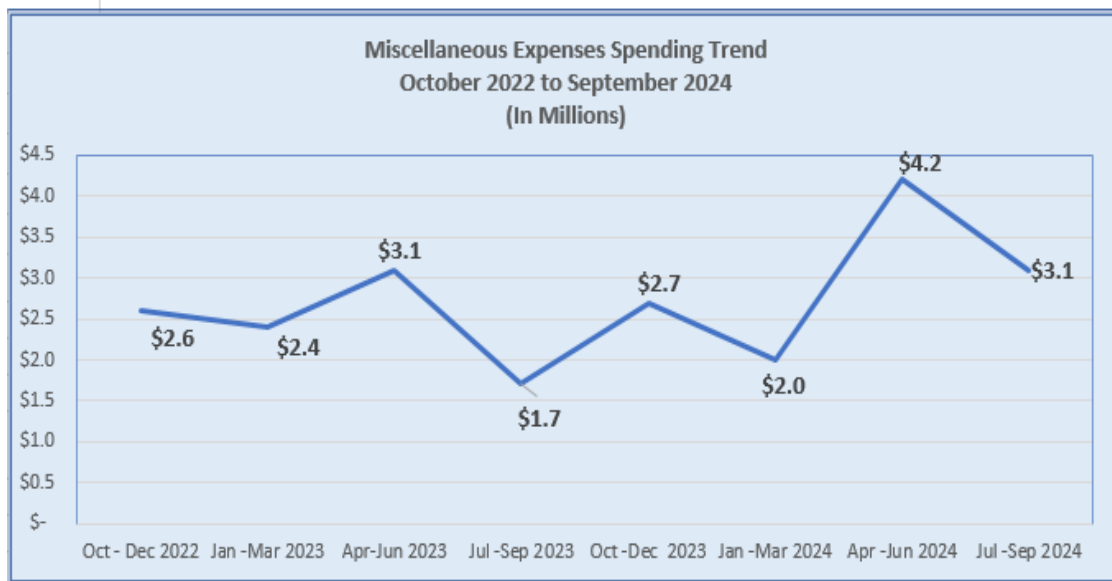
July 1, 2024 to September 30, 2024

Office of the Inspector General

Report No. 25-AUD-08

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

**Figure 2: Miscellaneous Expenses Spending Trend
October 2022 to September 2024**



As noted earlier, miscellaneous expenses were highest during the last quarter of each fiscal year. Part of this increase can be attributed to the accrual of expenses in June of each fiscal year that are charged to the respective years' budget. It is a common practice to exhaust budgeted funds in the 4th quarter of a fiscal year to avoid trailing expenses to the following fiscal period.

CONCLUSION

The miscellaneous expenses we reviewed for the quarter of July 1 to September 30, 2024, generally complied with Metro policies and procedures, were reasonable, and were adequately supported by required documents. However, we found exceptions related to Metro's P-Card Rules and Guidelines, and adherence to fiscal responsibility.

RECOMMENDATIONS

We recommend the following:

Employee & Labor Relations

1. When providing training for staff, ensure that there are no cost-free in-house programs or external programs that Metro partners with who provides similar highly qualified training at a substantially lower cost that still meet the quality and expertise level, before purchasing these services outside of Metro.
2. The P-Cardholder should sign the U.S. Bank statement as an acknowledgement of the accuracy and completeness of all charges appearing on the statement.
3. Approving officials should verify that cardholder has signed the bank statement in compliance with P-Card Rules and Guidelines before approving the P-Card Log.

Chief People Office & Vendor/Contract Management

4. Consider creating an executive leadership professional services bench to help ensure that Metro supports the professional development of its senior level executives in a fiscally responsible manner.

MANAGEMENT COMMENTS TO RECOMMENDATIONS

On July 25, 2025, we provided Metro Management our draft report. By August 12, 2025, Metro Management submitted their responses summarizing the corrective actions that they will be taking. See Attachment B.

OIG EVALUATION OF MANAGEMENT RESPONSE

Metro Management corrective actions, if implemented would be responsive to the recommendations in this report. We will follow-up up on the implementation of these recommendations through Management Audit Services Audit Report Follow-up and Resolution Tracking System.

Summary of Sampled Expenses Audited

Account	Account Description	Audit Population	Sample Amount
50213	Training Program	\$ 4,481	\$ 2,800
50903	Business Meals	161,931	45,471
50905	Corporate Membership	398,633	207,580
50908	Employee Relocation <a>	0	0
50910	Mileage and Parking	6,424	1,640
50912	Professional Membership	18,501	2,760
50914	Schedule Checkers Travel <a>	0	0
50915	Seminar and Conference Fee	53,777	18,381
50917	Business Travel	139,264	16,629
50918	Advertising	1,634,510	756,930
50930	Employee Activities & Recreation <a>	0	0
50999	Other Miscellaneous Expenses	<u>664,050</u>	<u>388,714</u>
<i>Total</i>		<u>\$3,081,571</u>	 <u>\$1,440,905</u>

<a> No expenses incurred for this quarter.

 This total does not include transactions that were less than \$200, offsetting debits and credits, and transactions from the OIG and Transit Court Department

Management Comments to Draft Report

Chief People Office


Metro

Interoffice Memo

Date	August 11, 2025
To	Yvonne Zheng Senior Manager, Audit Office of the Inspector General
From	Dawn Jackson-Perkins Chief People Officer
Subject	Statutorily Mandated Audit of Metro Miscellaneous Expenses July 1, 2024 to September 30, 2024 (Report No. 25-AUD-08)

Digitally signed by Dawn Jackson-Perkins
Date: 2025.08.12 12:24:28 -0700

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 our response below to the recommendation pertaining to the Chief People Office (CPO).

Recommendations

Employee & Labor Relations

1. When providing training for staff, ensure that there are no cost-free in-house programs or external programs that Metro partners with who provides similar highly qualified training at a substantially lower cost that still meet the quality and expertise level, before purchasing these services outside of Metro.

Response: Agree, as the Chief People Office (CPO) offers both in-house and external leadership and development training programs, including Metro Leadership Academy (MLA), EnoMAX, Eno Transit Mid-Manager, Eno Transit Senior Executive, Leadership APTA, APTA Emerging Leaders, and CORO Lead LA. These programs entail costs that are budgeted out of the Talent Development cost center within CPO. Research confirmed that the employee who received this training as part of this audit participated and graduated from MLA in 2022. While Metro's leadership courses provide broad leadership principles for groups of employees, in this case the contractor delivered individualized, targeted coaching tailored to the employee's specific Employee and Labor Relations job classification, role, and responsibilities at the request of the Office of Civil Rights which was approved by Metro leadership. Additionally, with the exception of MLA and EnoMAX, Metro does not control the content of other in-house or partner-provided programs. These are developed by external agencies whose focus may

Management Comments to Draft Report

Chief People Office -Continued



Metro

Interoffice Memo

extend beyond broader leadership principles, often emphasizing on specific projects, research areas, and travel to other transit properties. Finally, the CPO is actively developing a comprehensive Talent Development bench contract procurement/package and we estimate it will be awarded in FY26. This Talent Development bench contract will ultimately encompass multiple talent development disciplines, including executive coaching, to strategically support the professional growth of Metro's personnel while ensuring fiscal responsibility.

Completion Date: March 2026 (Talent Development Bench Contract Award Estimate)

2. The P-Cardholder should sign the U.S. Bank statement as an acknowledgement of the accuracy and completeness of all charges appearing on the statement.

Response: Agree and the approving official for the Employee & Labor Relations Department has been made aware of requirements to verify that cardholder have signed all bank statements before approving the P-Card Log as it ensures that all P-Card Log documents are completed in accordance with P-Card guidelines and the cardholder has acknowledged all charges. CPO will also ensure that the P-Card approver completes the mandatory P-Card refresher courses/trainings which outline P-Card requirements, restrictions, and important program information updates.

Completion Date: August 2025

3. Approving officials should verify that cardholder has signed the bank statement in compliance with P-Card Rules and Guidelines before approving the P-Card Log.

Response: Agree and the approving official for the Employee & Labor Relations Department has been made aware of requirements to verify that cardholders have signed bank statements in compliance with P-Card Rules and Guidelines before approving P-Card Logs. CPO will also ensure that the P-Card approver completes the mandatory P-Card refresher courses/trainings which outline P-Card requirements, restrictions, and important program information updates.

Completion Date: August 2025

Chief People Office and Vendor/Contract Management

4. Consider creating an executive leadership professional services bench to help ensure that Metro supports the professional development of its senior level executives in a fiscally responsible manner.

Response: The CPO is actively developing a comprehensive Talent Development bench contract procurement/package and we estimate it will be awarded in FY26 with the

Management Comments to Draft Report

Chief People Office – Continued



Metro

Interoffice Memo

support of Vendor/Contract Management and the Diversity & Economic Opportunity Department. This Talent Development bench contract will ultimately encompass multiple talent development disciplines, including executive coaching, to strategically support the professional growth of Metro's personnel while ensuring fiscal responsibility.

Completion Date: March 2026 (Talent Development Bench Contract Award Estimate)

Management Comments to Draft Report

Vendor/Contract Management



Metropolitan Transportation Authority

Metro

Interoffice Memo

Date:	August 6, 2025
To:	Yvonne Zheng Sr. Manager, Audit Office of the Inspector General
From:	Nalini Ahuja Chief Financial Officer
Subject:	Management Response to Audit Recommendations in Report No. 25-AUD-08

Thank you for the opportunity to respond to the finding(s) and recommendation(s) in the draft report (Audit Report No. 25-AUD-08, Statutorily Mandated Audit of Metro Miscellaneous Expenses July 1, 2024, to September 30, 2024) prior to the release of the final report. We have reviewed the draft report and provide our response(s) to the recommendation(s) below.

RECOMMENDATION(S):

Consider creating an executive leadership professional services bench to help ensure that Metro supports the professional development of its senior level executives in a fiscally responsible manner.

MANAGEMENT RESPONSE:

Agree

Vendor/Contract Management (V/CM) agrees with the recommendation and will work with the Chief People Office (CPO) on a competitive procurement to establish an executive leadership professional services bench. Once CPO develops and submits a complete requisition package, V/CM will follow the procurement process through contract award.

Any questions or concerns can be addressed to me, Nalini Ahuja at 213-922-3088.

- Cc: Dawn Jackson-Perkins, Chief People Officer
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer
Debra Avila, Deputy Chief Vendor/Contract Management Officer
Dr. Irma L. Licea, Executive Officer, Vendor/Contract Management

Final Report Distribution

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Metro

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OFFICE OF THE INSPECTOR GENERAL

Audit of Miscellaneous Expenses July to September 2024

Karen Gorman, Inspector General
Dawn Williams-Woodson, Audit Manager

Report No. 25-AUD-08

September 18, 2025

Objectives

The objectives of the audit were to determine whether:

- Expenses charged were proper, reasonable, according to policies & procedures
- Expenses had proper approval, receipts, & other supporting documentation
- Policies & Procedures are adequate



Results of Audit

Staff generally complied with Metro policies & procedures; however, OIG found:

- Metro could obtain cost-effective training services
- Non-Compliance with P-Card Rules and Guidelines

OIG provided 4 recommendations

