



R E V I S E D

AUDIT TASK FORCE

Thursday, May 22, 1997

8:30 a.m.

Members:

Michael Antonovich, or designee
Gloria Molina, or designee
Nick Patsaouras, Ex-Officio
Richard Riordan, or designee
Art Sinai, Inspector General
Zev Yaroslavsky, or designee
Larry Zarian, or designee

Information:

- A. Public Comment
- B. Receive and file report on Audit Task Force goals and objectives.
- C. Receive oral report on accountability chain of command (organizational chart) of Audit Task Force.
- D. Receive oral report on "Exceptions to the Final Cost Forecast" and reporting relationship of the Deputy Executive Officer Program Control of Construction.
- E. Receive and file report on letter to consultants and contractors regarding enhanced Board oversight effort.
- F. Receive and file report that tasks Management Audit Services (MAS), Procurement, and Finance to develop a joint procedure which establishes performance and collection standards for collecting identified audit-questioned costs from contractors, and which will define the auditor's role during negotiation, reporting/tracking responsibility, to ensure a timely and orderly process.

- G. Receive and file report to establish one (1) manager-level position, reporting to the Chief of Staff or the Director of Management Audit Services (MAS), to conduct an independent tracking and oversight function for all reports generating findings and recommendations and requiring management action to implement.
- H. Receive and file report to establish a task force consisting of the Inspector General, Chief of Staff, Managing Director of Strategic Planning and Director of Management Services to assess options concerning the implementation of an internal control integrated framework process to ensure all major operations are evaluated for adequacy of internal controls, effectiveness of policies and procedures and efficiency of operations.

Action to be Taken:

- 1. Consider:
 - A. approval of a transfer of an amount not to exceed \$150,000 from the FY 1997 Board Contingency Account to Management Audit Services (MAS) to begin an enhanced work program in June 1997 to address the accumulating contract audit backlog; and
 - B. in the adoption of the MTA FY 1998 budget, an increase of approximately \$2 million for MAS to carry out its mission, including the enhanced contract audit work program.