



Metro

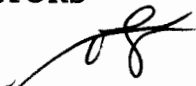
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November 5, 2008

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

FROM: RUTHE HOLDEN 
CHIEF AUDITOR, MANAGEMENT AUDIT SERVICES

SUBJECT: STATUS OF OPEN AUDIT RECOMMENDATIONS AS OF
AUGUST 31, 2008

ISSUE

At the March 2005 Executive Management and Audit Committee meeting, the committee requested that the status of all open audit recommendations be reported monthly. This includes audits performed by Management Audit Services (Management Audit) and, in compliance with policy, external audits performed by outside auditors.

DISCUSSION

Management Audit's monthly audit follow-up report includes all open audit recommendations related to findings reported by Financial Audit, Information Technology (IT) Audit, Operational Audit, and outside auditors; statistics on the number of recommendations closed or completed since the last report; and a summary of audit activities in Contract Audit and Grant Audit.

During the month of August, Management Audit issued five audit reports. Audit of E-time System (07-ACCI05) had two recommendations. Inventory Management (08-OPS-005) had fifteen recommendations and five were corrected during the audit. Follow-up Audit on Property Management and Rent Collection Controls (08-REA-0F01) had six recommendations. Bus Operator Safety Training (08-OPS-007) which had three recommendations. Preventative Safety Training for High Risk Rail Professions (08-OPS-008) contained no recommendations. The Office of the Inspector General issued two audit reports: Bus Inspections (08-AUD-07) which had six recommendations, three of which were corrected during the audit; and Review of Selected Payroll Payments (08-AUD-10) which had three recommendations that were all corrected during the audit. The new open audit recommendations are included in the attachment as items 1-2, 3-12, 25-30, 43-45 and 40-42, respectively.

Eleven recommendations for audits issued in August were closed, and seven of the recommendations open from the July report were closed during August. We are actively working with staff to close each recommendation as quickly as possible. The total open recommendations as of August 31, 2008 are included in Attachment A.

The following table summarizes the follow-up activity for audit recommendations during August 2008.

Table 1
Summary of Financial, IT, Operational and External Audit Recommendations
As of August 31, 2008

Executive Area	Closed or Completed	Under Review	Extended	Not Yet Due	Total Open Recom.
Chief Financial Services Officer	3			2	2
Chief Administrative Services Officer	6		12	10	22
Chief Real Property Management & Development				6	6
Chief Planning Officer			7	1	8
General Mgr. Rail Operations	1			1	1
Chief Operating Officer	8			12	12
Chief Capital Management Officer				5	5
Totals	18		19	37	56

Contract Audit conducts audits related to pre-awards, change orders, and incurred costs, as well as providing support for claims, contract closeouts and contract related litigation. Grant Audit conducts closeout audits of projects funded by the Call-for-Projects.

During August 2008, 82 contract audits remained open pending the results of negotiations. Grant Audit issued three final reports and had three audit reports in the draft audit stage.

NEXT STEPS

Management Audit Services will provide the next monthly status report for the period ending September 30, 2008.

Attachment A: Open Audit Recommendations Report

**All Open Audit Recommendations
Status as of August 31, 2008**

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
1	07-ACC-105	8/1/2008	MAS	Audit of E-Time System	Chief Financial Services Officer	1	E-time system program rules working, compliance with HR policy and CBA timekeeping rules, and HR polices and CBA timekeeping rules incorporated into system. The Chief Financial Services Officer and Trasurer submitted to IT's a service request to enhance the E-Time system where the programmed validation controls comply with the relevant timekeeping CBA and HR policies.	3/31/2008		
2	07-ACC-105	8/1/2008	MAS	Audit of E-Time System	Chief Financial Services Officer	2	System's edit and validation controls in place are not working and not all CBA's rules and HR polices' timekeeping rules were programmed as edits and validations. The Chief Financial Services Officer and Trasurer will investigate the feasibility of creating a database for Payroll to efficiently and effectively monitor bereavement, jury duty and FML by March 2009.	3/31/2009		
3	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	1.1	Monitoring of Inactive Inventory Needs to be Strengthened. Inventory Manager will update procedures related to idle, inactive and obsolete bus inventory items and Material Staff will receive training on the updated procedures.	6/30/2009		
4	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	1.2	Monitoring of Inactive Inventory Needs to be Strengthened. Material Management has developed proposed thresholds for the reclassification and obsolescence of inactive Rail Inventory items. Inventory Manager will work with Rail Fleet Services and Accounting to finalize and publish guidelines by November 2008.	11/30/2008		
5	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	1.3	Monitoring of Inactive Inventory Needs to be Strengthened. Material Management will develop a monthly report to capture excess, idle, inactive inventory items as well as candidate items for obsolescence and develop a procedure for processing the resultant information.	12/31/2008		
6	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	2.1	Inventory Turnover Rates are not Consistent with Inventory Management Policy & Procedures. Inventory Manager will review, update and republish Inventory Procedures.	6/30/2009		
7	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	2.2	Inventory Turnover Rates are not Consistent with Inventory Management Policy & Procedures. Inventory Manager will develop and publish Rail Policies and Procedures.	11/30/2008		

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No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
8	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	2.3	Inventory Turnover Rates are not Consistent with Inventory Management Policy & Procedures. Inventory Management developed an inventory turn report which was included with July's monthly Material Management Statistical Report. Lead times are adjusted regularly and automatically by M3 based on actual lead times for the most recent five procurements for each item code. Reorder points and safety stock are currently updated semi-annually at division storeroom locations and with every replenishment for stock purchase Mars for the "supplied by" warehouses. Inventory Management is implementing Dynamic Inventory Optimization system (DIOS) maintain closer tolerances on these metrics. All but service levels are complete. The Inventory Manager will identify and publish service level requirements by December 31, 2008.	12/31/2008		
9	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	3.2	Investment and Consumption Profile for Class C Inventory is not Consistent with Inventory Management Policy & Procedures. Inventory Management will analyze the feasibility of Vendor Managed Inventory Programs to identify any business advantages they may present. The Inventory Manager will work with the Purchase Contract Manager to further develop the Vendor managed Inventory segment of Metro's supplier Management program. Inventory Manager will complete a status and feasibility report by December 31, 2008.	12/31/2008		
10	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	4.1	Classification of Active Inventory Items is not Consistent with Inventory Management Policy & Procedures. Inventory Manager will evaluate the current practices used to support anticipated consumption needs, assign inventory items to the various classes and maintain balanced inventory levels and publish the findings by March 2009.	3/31/2009		
11	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	4.2	Classification of Active Inventory Items is not Consistent with Inventory Management Policy & Procedures. Inventory Manager will develop and employ a monitoring process to ensure that the existing policies, procedures and controls for inventory item classifications are consistently and accurately applied. Inventory Manager will develop and publish by June 2009.	6/30/2009		
12	08-OPS-005	8/28/2008	MAS	Inventory Management Audit	Chief Administrative Services Officer	5.1	Min/Max inventory Level adjustment process Needs Strengthening. Inventory Management will establish a structured monitoring process to ensure consistent and accurate utilization of the Min/Max system. Inventory Manager will develop and publish the monitoring process by June 2009.	6/30/2009		

**All Open Audit Recommendations
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No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
13	07-CEO-106	10/24/2007	MAS	Wireless Network Security	Chief Administrative Services Officer; Gen. Mgr. Rail Operations; Chief Real Property	1	Lack of Policy to regulate the installation of Wireless Networks. The CIO corrected the weaknesses identified in the audit for M3. In addition, the CIO will draft an agency-wide policy for wireless systems and will coordinate a review of the draft policy with ATMS and UFS management.	12/31/2007	12/31/2008	Extended once. Draft policy has been submitted for review.
14	07-CEO-106	10/24/2007	MAS	Wireless Network Security	Chief Administrative Services Officer; Gen. Mgr. Rail Operations; Chief Real Property	2	Inconsistencies and control weaknesses found in the implementation of wireless networks. The CIO has corrected the M3 issues identified in the report. Project Management and Rail Operation management will work together with the CIO to identify the most cost effective and efficient methods to correct the specific wireless weaknesses identified in the report.	6/30/2008	6/30/2009	Extended once.
15	07-ITS-001	6/25/2007	MAS	Wireless Device and Service Utilization	Chief Administrative Services Officer	1.1	Inconsistent reimbursement for personal calls. To maintain consistency among Metro policies, ITS discussing this finding with Chief Ethics Officer. The Ethics Department has agreed to further define existing language in the Employee Code of Conduct to help clarify the definition and eligibility of personal phone calls made using Metro equipment. Once Ethics publishes this information, the ITS Wireless Device and Service Utilization Policy will be amended to reference the Ethics Department definition of what constitutes personal usage.	9/30/2007	12/31/2007	Will be closed in September
16	07-ITS-001	6/25/2007	MAS	Wireless Device and Service Utilization	Chief Administrative Services Officer	2.1	Approval requirements for wireless devices are not based on Associated Risk. ITS and the Executive Officer of Administration will convene a task force from all user Strategic Business Units (SBU) to review the wireless policy to ensure it is consistent with current acceptable business practices. The results of this review will be incorporated into the ITS Wireless Device and Service Utilization Policy as appropriate.	9/30/2007	12/31/2007	Will be closed in September
17	07-ITS-001	6/25/2007	MAS	Wireless Device and Service Utilization	Chief Administrative Services Officer	3.1a	Other Policy compliance inconsistencies. As of 5/31/07, there are 14 cell phones assigned to non-Metro employees, 11 assigned to cost center 8010 Construction, 2 assigned to cost center 1210 County Counsel and 1 assigned to cost center 1110 Office of Board Secretary. ITS will request cost center 8010 Construction to return the cell phones assigned to non-Metro employees to comply with the audit recommendation. If there are pre-existing Metro contractual obligations that may preclude termination of service, Construction will be asked to provide a written justification for the continued need for service and projected service termination date. In addition, the Policy, "IT8 Information Technology Wireless Device and Service", will be amended to allow contractors within cost center 1210, County Counsel and cost center 1110, Office of Board Secretary, to be issued cell phones.	9/30/2007	12/31/2007	Will be closed in September

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18	07-ITS-001	6/25/2007	MAS	Wireless Device and Service Utilization	Chief Administrative Services Officer	3.1b	Other Policy compliance inconsistencies. ITS will modify the annual Wireless Device Certification form to include the approver on record as part of the information to be verified in the certification process. The Wireless Device and Service Utilization Policy will be modified to include responsibility of the approver to notify ITS of any change in status.	9/30/2007	12/31/2007	Will be closed in September
19	06-ITS-109	4/13/2007	MAS	Software License Policy and Procedures	Chief Administrative Services Officer	1.1	Lack of software purchase and usage policy and procedures. The Chief Information Officer will finalize the draft of the IT Standards Compliance Policy in accordance with GEN 5 prior to adoption and ensure it includes the recommended areas.	8/31/2007	11/30/2008	Extended twice. Policy is drafted and is being reviewed by CIO
20	06-ITS-109	4/13/2007	MAS	Software License Policy and Procedures	Chief Administrative Services Officer	1.2	Lack of software purchase and usage policy and procedures. The Chief Information Officer will finalize the draft of the IT Standards Compliance Policy in accordance with GEN 5 prior to adoption and ensure it includes the recommended areas.	8/31/2007	11/30/2008	Extended twice. Policy is drafted and is being reviewed by CIO
21	06-AUD-12	9/15/2006	OIG	Disposal of Computer Equipment and Data Storage Media	Chief Administrative Services Officer	2	Written policies and procedures had not been developed for erasing data from computer hard drives prior to their disposal. ITS will work together with Records Management to resolve the conflict with the language in Policy GEN 8 which states that only Records Management Center staff are authorized to delete or destroy public records, including erasing data from hard drives. The revised language will clarify responsibilities.	12/31/2006	12/31/2007	Revised policy is drafted. Waiting for policy to be approved by the Board.
22	06-AUD-12	9/15/2006	OIG	Disposal of Computer Equipment and Data Storage Media	Chief Administrative Services Officer	4	LACMTA departments were not following the requirement in Policy GEN 8. Records Management and Legal Counsel will review Policy GEN 8 and add procedures for destroying unneeded or damaged electronic storage media.	12/31/2006	12/31/2007	Revised policy is drafted. Waiting for policy to be approved by the Board.

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23	06-AUD-12	9/15/2006	OIG	Disposal of Computer Equipment and Data Storage Media	Chief Administrative Services Officer	5	LACMTA departments were not following the requirement in Policy GEN 8. An updated opinion by Legal Counsel is that public records are defined according to Government Code 6252(e) of the California Public Records Act, and if a definition is included in the policy, then the policy will become outdated the moment the government code changes. So Counsel suggested that in the body of the policy, the first time the term "public records" is used, there will be a notation referencing the code (i.e. public records is defined according to Government Code section 6252(e) of the CPRA). This way the validity of the policy will not be affected should there be changes to the code.	12/31/2006	12/31/2007	Revised policy is drafted. Waiting for policy to be approved by the Board.
24	06-AUD-12	9/15/2006	OIG	Disposal of Computer Equipment and Data Storage Media	Chief Administrative Services Officer	6	LACMTA departments were not following the requirement in Policy GEN 8. Upon the completion of revisions to Policy GEN 8, the Records Manager will issue a communications memo to all staff informing them of policy requirements. The Records Manager will also update the instructions of the relevant quarterly Management Orientation Program (MOP) training courses.	1/31/2007	12/31/2007	Revised policy is drafted. Waiting for policy to be approved by the Board.
25	08-REA-F01	8/28/2008	MAS	Property Management and Rent Collection Controls	Chief Real Property Management & Development	1	52% of the Rental Agreements requiring adjustments were not adjusted. Real Estate has developed a matrix which schedules 375 revenue agreements for market rate adjustments in 2008. To complete this goal they will prioritize these agreements and will seek additional staff resources. They will complete appraisals using both in-house and outside fee appraisers. Those agreements which are determined to be in the highest priority categories will be adjusted, with a goal to complete all such rental adjustments by December 2008. The remaining lower-priority 2008 adjustments will be carried over to 2009 and made during the period of January to July 2009.	7/31/2009		
26	08-REA-F01	8/28/2008	MAS	Property Management and Rent Collection Controls	Chief Real Property Management & Development	2	Real Estate does not maintain a vacant property listing. The Department will work with the ITS Department to develop a vacant property listing report.	1/31/2009		
27	08-REA-F01	8/28/2008	MAS	Property Management and Rent Collection Controls	Chief Real Property Management & Development	3	100% of rental files reviewed had no inspection documentation. Staff has been directed to complete all inspections and document the required inspections in the file. Real Estate management will monitor the files on a periodic basis to ensure the inspections are completed and the documentation is in the files.	10/31/2008		Will be closed in October.
28	08-REA-F01	8/28/2008	MAS	Property Management and Rent Collection Controls	Chief Real Property Management & Development	4	Incomplete Rental Database. Significant progress has been made in developing the Real property Management Information system. The system is partially operational and the majority of the real estate data has been input into the system. The database should be fully operational by the end of December 2008.	12/31/2008		Supersedes rec. 1 from audit report 06-ACC-004 issued 12/5/06

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29	08-REA-F01	8/28/2008	MAS	Property Management and Rent Collection Controls	Chief Real Property Management & Development	5	Past due Rental Income Receivable. Real Estate and Accounting have worked together to revise rent collection and delinquency procedures, to improve invoicing control by suing the new Rental Property Management Information System, and to provide tenants the opportunity to pay rent through Electronic Funds Transfer. Changes to the filling and categorization process will be made to give a more accurate depiction of the collection activity in the future.	3/31/2009		
30	08-REA-F01	8/28/2008	MAS	Property Management and Rent Collection Controls	Chief Real Property Management & Development	6	Inadequate Internal Controls over Real property and Collection of Rental Income for the last 12 years. Real Estate acknowledges that outsourcing certain of the property management functions may be an option to address the concerns raised in this audit. Outside support in follow-up on delinquencies and conduct of inspections could be considered if the strategies outlined in this response prove not to be effective in their implementation. Outsourcing will be further reviewed after a period of 6 to 9 months of the processes discussed in this response.	5/31/2009		
31	7-MGLEE-00	1/1/2007	MAS	MGLEE LA Crematorium Site Environ. Process Review	Chief Planning Officer; Chief Capital Management Officer	1	National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) Compliance Process. Planning and Construction Management will implement draft guidance to staff ensuring compliance of NEPA/CEQA documents with existing Policy, a memo directing staff to display all NEPA/CEQA documents and technical reports in Library and a copy submitted to Records Management, a memo stating that all RFPs include environmental consultants to acknowledge in writing they have complied with existing Policy or explain why their scope of work requires less than a complete set of documents, a guidance memo establishing a mitigation measure requiring a "handover meeting".	1/31/2008	10/31/2008	Extended once.
32	7-MGLEE-00	1/1/2007	MAS	MGLEE LA Crematorium Site Environ. Process Review	Chief Planning Officer; Chief Capital Management Officer	2	National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) Compliance Process. Planning and Construction will write a guidance memo establishing that each Area Team and Construction Environment staff with a copy of section 106, corresponding CEQA requirements and written commentary and explanation by a recognized expert in the field ordered within one month; construction environmental compliance staff working on environmental documents who have not taken a qualified CEQA/NEPA training course shall be enrolled within two years.	7/31/2009		

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No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
33	7-MGLEE-00	1/1/2007	MAS	MGLEE LA Crematorium Site Environ. Process Review	Chief Planning Officer; Chief Capital Management Officer	3	Changes in the Area of Potential Effect Over Time. Planning and Construction will write a guidance memo establishing the Area of Potential Effect Changes, a thorough review of all pertinent environmental documents will be completed and documented including the consultant to certify compliance with NEPA/CEQA guidelines. All new NEPA/CEQA work or modification to existing work resulting from a change in Area of Potential Effect will include requirements that the consultant certify their work conforms to the NEPA/CEQA 106 guidelines.	2/29/2008	10/31/2008	Extended once. Will be closed in September.
34	7-MGLEE-00	1/1/2007	MAS	MGLEE LA Crematorium Site Environ. Process Review	Chief Planning Officer; Chief Capital Management Officer	4	Property Acquisition and Communication. Planning in conjunction with Construction will write a policy regarding Property Acquisition and Communication that will include responsibilities to investigate prior land use.	1/31/2008	10/31/2008	Extended once. Will be closed in September.
35	7-MGLEE-00	1/1/2007	MAS	MGLEE LA Crematorium Site Environ. Process Review	Chief Planning Officer; Chief Capital Management Officer	5	Property Acquisition and Communication. The policy will include specific directives for what has to be done when sensitive land uses like cemeteries or related facilities are involved. The policy will include: <ul style="list-style-type: none"> •Field investigations •Cemetery or related facilities adjacent to the alignment •Cemetery or related facilities on the alignment •Cemetery or related facilities within a site development tract •Thorough investigation •Modern limits to a cemetery may not always reflect its actual boundaries 	1/31/2008	10/31/2008	Extended once. Will be closed in September.
36	06-INTP-TCBA	5/10/2006	MAS	Report on the Immediate Needs Transportation Program (INTP)	Chief Planning Officer	5.1	Administrative fess paid to brokers should be reassessed after changes to the program have been made. Once the program is modified and the details are finalized, staff will reassess the fee keeping in mind the new program requirement and funding availability. Reducing emphasis on the taxi vouchers could help keep the administrative fee in check.	6/30/2007	8/31/2008	Extended once. Corrective action has been delayed until the completion of the FY08 audit scheduled for mart
37	06-INTP-TCBA	5/10/2006	MAS	Report on the Immediate Needs Transportation Program (INTP)	Chief Planning Officer	6.1	First African Methodist Episcopal Church cost allocation of indirect expenses was not consistent. Previously, steps were taken to correct some of the problems, and we are waiting for any additional audit recommendations. Staff will develop a cost methodology for allocating indirect expenses. This can be implemented with the start of a new program July 1, 2008. In addition, staff in their FY 2007 budget has allocated funds for the audit of the program and intends to perform annual audits of the program.	6/30/2007	12/31/2007	Extended once. Will be closed in September.

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38	06-INTP-TCBA	5/10/2006	MAS	Report on the Immediate Needs Transportation Program (INTP)	Chief Planning Officer	11.1	Future solicitation process for brokers' contracts should be considered. Once the program requirement, the mission statement and the taxi program are well defined, staff will proceed with the procurement to select agencies to administer the program. Staff concurs with the audit recommendations for general qualification of the brokers, which are as follows: Not-for-profit status; offices located within LA County; size and organizational structure that provides administrative support to the program with low overhead costs; capable of maintaining LACMTA's insurance requirements; offers a broad base of social service programs or provides transportation services to the underserved population of LA County.	6/30/2007	8/31/2008	Extended once.
39	07-OPS-005	2/26/2008	MAS	Rail Service Interruption Communication	General Mgr, Rail Operations; Chief Communications Officer	1	Need to adopt consistent customer phone usage guidelines and clear telephone signage at rail stations. Communications/Marketing are developing bigger, bolder signs that will go around, or above the intercoms identifying them as passenger assistance phones. Communications/Marketing are developing signs that will be visible on the platform perpendicular to the path of patrons as they walk down the platform that will lead them to our emergency/information phones (currently in progress. Red Line Union Station will be set up as a model for review and comment. The new TPIS (Train Passenger Information system) is coming online with the ability to inform our customers of current delay and schedule adjustments. The new system, already on line in the preliminary stages will soon have greater capabilities with passenger information. Communications/Marketing will be adding the new Identification signs/blades to the Light Rail Stations after the prototypes are agreed to at Union Station.	8/31/2008	11/30/2008	Extended once.
40	08-AUD-07	8/1/2008	OIG	Bus Inspections	Chief Operating Officer	1a	Improvements are needed to ensure that all defects found are correct and the number of buses placed out-of-service is minimized. A total of ten Preventative Maintenance Inspection (PMI) classes will be offered and completed by September 30, 2008. Two Maintenance Instructors will be assigned to complete and oversee the implementation of these training programs.	9/30/2008		
41	08-AUD-07	8/1/2008	OIG	Bus Inspections	Chief Operating Officer	1b	Improvements are needed to ensure that all defects found are correct and the number of buses placed out-of-service is minimized. The pre-trip inspection video will be completed by July 14, 2008. Additionally, OCI will provide the divisions with printed materials outlining the complete bus trip-inspection requirements. The printed materials along with the video will be distributed to division management in mid-july 2008. The division managers will oversee the implementation of the training and distribution of the printed materials.	10/31/2008		
42	08-AUD-07	8/1/2008	OIG	Bus Inspections	Chief Operating Officer	4	Improvements are needed to ensure that all defects found are correct and the number of buses placed out-of-service is minimized. The Bus Change Committee has discussed use of a mileage range for performing inspections rather than a single mileage parameter. A review of mileage range parameters as part of a larger comprehensive evaluation of the PMP will be completed.	12/31/2008		

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43	08-OPS-007	8/1/2008	MAS	Bus Operator Safety Training	Chief Operating Officer	1	26 (31%) of 85 Bus Operator Instructors do not have the certification required by the California Education Code. Operations Management concurs with the recommendation. OCI will provide quarterly monitoring and compare the OTTS instructors to the HR report (or comparable) system that lists all current instructors. Any inconsistency found will be investigated by OCI and the appropriate record(s) will be updated accordingly.	12/31/2008		
44	08-OPS-007	8/1/2008	MAS	Bus Operator Safety Training	Chief Operating Officer	2	Some Bus Operators with avoidable accidents are not being trained in a timely fashion. OCI is currently working to establish an oversight process/procedure for division instruction staff to improve communication, tracking of training and timeliness of training. Division instruction staff personnel are responsible for ensuring operators receive post accident training in a timely manner. OCI, in cooperation with division instruction, will monitor the scheduling and completion of post accident training. When the process/procedure is finalized it will be distributed to staff immediately.	12/31/2008		
45	08-OPS-007	8/1/2008	MAS	Bus Operator Safety Training	Chief Operating Officer	3	Some OCI Operation Training and Tracking Database System records are inaccurate. the OTTS is currently being modified to flag or block any attempts at inputting future dates or previous dates older than six months.	12/31/2008		
46	07-OPS-011	6/1/2008	MAS	Tier 1 Service Chang	Chief Operating Officer	1	Service Data Information needs to address FTA Limited English proficiency. Departmental procedures will be developed to insure that maps used to validate Metro service compliance with title VI incorporate a layer addressing Limited English proficiency. Said map layer will require Census data not expected to become available until September 2012. The next revision to the Transit Service Policy will include a reference to the Limited English Proficiency procedure.	11/30/2008		
47	08-OPS-009	3/25/2008	MAS	School Tripper Policies and Practices	Chief Operating Officer	3a	Approximately 91.2 percent of school trippers were not in compliance with one or more of the various criteria under 49 CFR 605. Service Development, in collaboration with Sectors, will develop policies and procedures for Sector implementation of a public notification process when scheduled school trips are modified on certain days.	9/30/2008		Will be closed in October.

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48	08-OPS-009	3/25/2008	MAS	School Tripper Policies and Practices	Chief Operating Officer	3b	Approximately 91.2 percent of school trippers were not in compliance with one or more of the various criteria under 49 CFR 605. Included in the policies and procedures will be a requirement to log all requests for new scheduled trippers and modifications to existing trippers into the SLS 2000 regardless if the requested new or modified service is actually implemented.	9/30/2008		Will be closed in October.
49	08-OPS-009	3/25/2008	MAS	School Tripper Policies and Practices	Chief Operating Officer	3c	Approximately 91.2 percent of school trippers were not in compliance with one or more of the various criteria under 49 CFR 605. Included in the policies and procedures will be a stipulation that requests for new scheduled service or modifications to existing trippers will be provided with enough prior notice to complete appropriate analysis of the request and/or allow appropriate notification of changes.	9/30/2008		Will be closed in October.
50	07-OPS-006	12/6/2007	MAS	Continuity of Operations Plan	Chief Operating Officer	1, 2	Security Sensitive. Security Sensitive Information	12/31/2008		Three recommendations. Completion dates: 12/31/08, 12/31/08; rec. 3 closed in March 08.
51	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	1	MTA has not yet established the required framework to implement GASB Statement 49. As identified in the report, one entity should serve as a focal point for ensuring that comprehensive and complete data on remediation projects and their costs are maintained. The Environmental Compliance and Services Department (ECSD), which resides in the Construction division, have staff and consulting resources to respond to this need. We are assigning our ECSD Manager with the responsibility of GASB Statement 49 implementation and reporting. The ECSD Manager will coordinate the collection and maintenance of all environmental related information and the implementation of all environmental mitigation activities agency-wide.	11/30/2008		

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Status as of August 31, 2008**

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
52	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	2	MTA has not yet established the required framework to implement GASB Statement 49. We will develop a policy regarding GASB Statement 49 implementation and reporting and will present for adoption to our Board. Once adopted by our board, the new policy will be implemented through our Environmental Compliance and Services Department. Input in the development of the policy will be solicited from our other business units including the Office of Management and Budget, Accounting Services, management Audit Services, Rail Operations, Bus Operations, Administrative Services, Government Relations, Planning, Safety, and Property Management and Development. The policy will integrate the currently dispersed protocol and procedures regarding the identification, assessment, cost measurement, and reporting of known and potential environmental remediation activities.	11/30/2008		
53	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	3	MTA has not yet established the required framework to implement GASB Statement 49. We will work with Macias Gini & O'Connell, LLP in understanding the details of the cost estimating model they have developed for tracking and estimating environmental liabilities. Metro will adopt the model or equivalent once it has been determined to meet our needs to comply with GASB Statement 49. Once adopted, the model be will be housed in the ECSD and will be maintained by the ECSD manager or his designee.	1/31/2009		
54	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	4	MTA has not yet established the required framework to implement GASB Statement 49. We will develop a comprehensive baseline of cost data that captures cost estimates on environmental identification, assessment, remediation, and monitoring using information from existing bench contract information. This will have sufficient detail on labor, materials, and equipment costs. Such database will be updated annually using appropriate cost adjustment factors. The database will interface and complement the cost estimating model in tracking and estimating environmental liabilities.	1/31/2009		

**All Open Audit Recommendations
Status as of August 31, 2008**

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
55	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	5	MTA has not yet established the required framework to implement GASB Statement 49. We routinely provide in the middle of the fiscal year to the Office of Management and Budget an estimate cost of the anticipated full-time equivalent (FTE) commitments as well as projected capital and operations costs associated with known environmental issues. This information is included in the forthcoming fiscal year budget and tracked using project management tools throughout the year. The procedures in developing those costs can be used to develop and integrate overhead, labor, materials, and equipment costs for future environmental liabilities identified using the cost estimating model or equivalent for our agency-wide environmental activities.	1/31/2009		