



Metro

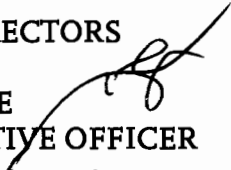
Metropolitan Transportation Authority


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April 2, 2009

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
FEBRUARY 28, 2009

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 February, the Office of the Inspector General issued four reports: Audit of Miscellaneous Expenses for the Period April 1, 2008 to June 30, 2008 (09-AUD-03), and Audit of Miscellaneous Expenses for the Period July 1, 2008 to September 30, 2008 (09-AUD-05) which contained no recommendations; Audit of Travel and Business Reports (09-AUD-01) which contained two recommendations, and Audit of Departmental Information Security (08-AUD-15) which contained 12 recommendations. The new open audit recommendations are included in the attachment as items 8 – 19. Two recommendations for audits issued in February were closed, and eight recommendations open from the January report were closed during February. We are actively working with staff to close each recommendation as quickly as possible. The total open recommendations as of February 28, 2009 are included in Attachment A.

The following table summarizes the follow-up activity for audit recommendations during February 2009.

Table 1
Summary of Financial, IT, Operational and External Audit Recommendations
As of February 28, 2009

Executive Area	Closed or Completed	Under Review	Extended	Not Yet Due	Total Open Recom.
Chief Financial Services Officer				7	7
Chief Administrative Services Officer	6	1	9	26	36
Chief Real Property Management & Development				4	4
Chief Planning Officer			2		2
Chief Communications Officer				5	5
General Mgr. Rail Operations	1				
Chief Operations Officer	3	3	1	3	7
Chief Capital Management Officer				4	4
Totals	10	4	12	49	65

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 February 2009, one open contract audit was closed and 113 contract audits remained open pending the results of negotiations. Grant Audit had two audit reports in the draft audit stage.

NEXT STEPS

Management Audit Services will provide the next monthly status report for the period ending March 31, 2009.

Attachment A: Open Audit Recommendations Report

**All Current Audit Recommendations
Status as of February 28, 2009**

Attachment A

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
1	08-OPS-001	11/26/2008	MAS	Balanced Scorecard	Chief Financial Services Officer	1	Balanced Scorecard consists primarily of financial indicators and is lacking in operational performance indicators. Management agrees to request that ITS investigate and recommend options for the replacement of the Balanced Scorecard application and to meet the goal of having the reporting of all key performance measures "in one place." Management will make a recommendation for funding a study to determine the scope, schedule and cost of this effort in development of the FY10 budget. Management does not recommend customization of the Balanced Scorecard to handle non-numerical measures because it is a commercially off the shelf (COTS) application that utilizes numerical values and management has been notified that the vendor will shortly discontinue support for this software.	5/31/2009		
2	08-OPS-001	11/26/2008	MAS	Balanced Scorecard	Chief Financial Services Officer	2	Balance Scorecard is lacking indicators for CEO priorities "Improve transit service" and "Deliver quality capital projects on time and within budget." Management agrees that such additional performance measures be developed and will request that ITS provide options for their implementation. Management will make a recommendation for funding the implementation effort after completion of the FY10 study to determine the best tool to present the information.	5/31/2009		
3	08-OPS-001	11/26/2008	MAS	Balanced Scorecard	Chief Financial Services Officer	2a	Balance Scorecard is lacking indicators for "improve transit services." Rail Operation's management recommends a focus on the three universally reported performance measures of 1) on-time performance; 2) mean time between failures for vehicles; and 3) service hours actual compared to planned.	5/31/2009		
4	08-OPS-001	11/26/2008	MAS	Balanced Scorecard	Chief Financial Services Officer	3	Balanced Scorecard is lacking indicators for "Secure local, state and federal funding; and Maintain open lines of communication." Management will proceed to establish an organizational mechanism to develop metrics for the goals "Secure local, state and federal funding; and Maintain open lines of communication."	5/31/2009		
5	08-OPS-011	10/16/2008	MAS	Day Pass Internal Controls	Chief Financial Services Officer	2.1	Ineffective controls for monitoring individual day passes. Operations will implement monthly "exception based" reconciliations. A UFS exception report will identify operators who are not turning in unsold day passes. This report will be compared to day pass logs and discrepancies will be investigated by division management. Operations will implement the exception based day pass review process.	11/30/2008		Will be closed March 15 when paper day passes are converted to TAP.

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6	07-ACC-105	8/1/2008	MAS	Audit of E-Time System	Chief Financial Services Officer	1	CBA Rules and HR Policy are not Programmed in E-time. The Chief Financial Services Officer and Treasurer 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.	3/31/2009		
7	07-ACC-105	8/1/2008	MAS	Audit of E-Time System	Chief Financial Services Officer	2	System's edit and validation controls need improvement. The Chief Financial Services Officer and Treasurer 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		
8	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	1a	Departments have not validated and assessed business and information security risks as required by Metro policy. The Information Technology Services will communicate, reinforce, and provide guidelines to Metro business units on their responsibility to validate and assess information security risks. The ITS Department, Records Management Center, and County Counsel will collaborate and develop an agency-wide Information Security Standard Operating Procedures that Metro business units will implement and utilize to accomplish and maintain uniformity and consistency of procedures used to validate and assess information security risks by: (a) Developing a new Information Security training module that will be offered through the OD&T Management Orientation Program (MOP). The training module will be conducted by ITS in conjunction with Records Management Training course.	8/30/2009		
9	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	1b	Departments have not validated and assessed business and information security risks as required by Metro policy. b) The ITS Department, Records Management Center (RMC) and County Counsel will collaborate and develop an agency-wide Information Security Standard Operating Procedures (SOPs) that Metro business units will implement and utilize to accomplish and maintain uniformity and consistency of procedures used to validate and assess information security risks. The Information Security (IT 1) Policy will also be revised to reiterate and refer the business units to the SOPs for direction and guidance.	6/30/2010		

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10	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	2	Departments have not developed written procedures (SOPs) on information security as required by Metro policy. The additional direction and guidance will be addressed in the new information security training module in conjunction with the Records Management Training course and the Information Security SOPs. In addition, information security awareness sessions will be conducted to facilitate the implementation of the Information Security SOPs.	8/30/2009		
11	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	3a	It is important that Departments implement written standard operating procedures (SOPs) to protect data. The Information Security SOPs will include directions and guidance for business units to follow to assess information security risks.	6/30/2010		
12	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	3b	It is important that Departments implement written standard operating procedures (SOPs) to protect data. The requirement for business units to define all data resources under their control including sensitivity and privacy considerations, will be included in the GEN 8 Policy, and guidelines to assist departments with meeting this requirement will be provided in the Information Security SOPs.	6/30/2010		
13	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	3c	It is important that Departments implement written standard operating procedures (SOPs) to protect data. The requirement for business units to identify the scope and access of appropriate staff will be included in the reviewed GEN 8 Policy, and guidelines to assist business units in meeting this requirement will be provided in the Information Security SOPs.	6/30/2010		
14	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	3d	It is important that Departments implement written standard operating procedures (SOPs) to protect data. The revisions to the GEN 8 Policy will include guidelines for identifying and controlling all data/information taken outside of Metro worksite. More detailed procedures will be outlined in the Information Security SOPs that will be followed by all departments.	6/30/2010		

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14	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	3d	It is important that Departments implement written standard operating procedures (SOPs) to protect data. The revisions to the GEN 8 Policy will include guidelines for identifying and controlling all data/information taken outside of Metro worksite. More detailed procedures will be outlined in the Information Security SOPs that will be followed by all departments.	6/30/2010		
15	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	3e	It is important that Departments implement written standard operating procedures (SOPs) to protect data. The revisions to the GEN 8 Policy will include guidelines for identifying and controlling all data/information taken outside of Metro worksites, which will include the use of encryption and/or password protection. Specific procedures will be outlined in the Information Security SOPs that must be followed by all business units.	6/30/2010		
16	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	4a	Establish policies that define the acceptable use of removable storage media. The revisions to the GEN 8 Policy will include guidelines for identifying and controlling all data/information taken outside of Metro worksites, which will include the use of encryption and/or password protection.	6/30/2009		
17	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	4b	Establish policies that define the acceptable use of removable storage media. The GEN 8 policy will be revised to include the requirement for controls such as logs for sensitive data files taken outside of Metro worksites. Procedures for implementing this part of the policy will be included in the Information Security SOPs, and communicated and reinforced through Records Management MOP Training course.	6/30/2009		
18	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	4c	Establish policies that define the acceptable use of removable storage media. The revised GEN 8 Policy will prohibit attaching Metro data files to e-mails for non-business purposes.	6/30/2009		
19	08-AUD-15	2/24/2009	OIG	Department Information Security	Chief Administrative Services Officer	4d	Establish policies that define the acceptable use of removable storage media. The current GEN 8 Policy addresses opening or saving Metro data files on employees' personal computers in section 1.5.3.3 Employee Copying and Use of MTA Records, and section 1.5.3.4 Results of Using Personal Computers or Other Electronic Devices to do MTA work. This will be included in the revised policy as well.	6/30/2009		

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20	08-AUD-12	10/17/2008	OIG	Use of Electronic Fund Transfer	Chief Administrative Services Officer	2	Metro made most payments to vendors, employees (non-wage), and public agencies via paper check. Management believes that opportunities exist for Metro to increase efficiency and security by making greater use of EFT payments. Procurement agrees that EFT should become the default method of payment for all new contracts and purchase orders unless the vendor submits a written request to opt out. Procurement will add appropriate language to all new solicitations. Accounting and Procurement will continue to work together to encourage existing vendors to sign up for EFT payments.	1/31/2009		
21	06-ITS-112	9/30/2008	MAS	Compliance to Software License Agreements & LACMTA Policy	Chief Administrative Services Officer	1.1	Due to decentralized IT responsibility, there is a lack of monitoring of computers. Create and maintain an agency-wide computer inventory list, including laptops.	12/31/2009		
22	06-ITS-112	9/30/2008	MAS	Compliance to Software License Agreements & LACMTA Policy	Chief Administrative Services Officer	1.2	ITS list of software inventory is not comprehensive. Create and maintain an agency-wide software inventory list.	12/31/2009		
23	06-ITS-112	9/30/2008	MAS	Compliance to Software License Agreements & LACMTA Policy	Chief Administrative Services Officer	1.3	Non-Compliance to Software Licensing. Complete and approve the IT-7 policy which will address compliance for new purchases.	11/30/2008		IT-7 policy has been approved and is awaiting final signature. Will close in March.
24	06-ITS-112	9/30/2008	MAS	Compliance to Software License Agreements & LACMTA Policy	Chief Administrative Services Officer	1.4	Non-Compliance to Software Licensing. Review the option of locking all computers to prevent downloading or installing software.	12/31/2008		Will close in March.

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25	06-ITS-I12	9/30/2008	MAS	Compliance to Software License Agreements & LACMTA Policy	Chief Administrative Services Officer	1.5	Non-Compliance to Software Licensing. Develop detailed guidelines which include compliance to licensing agreements, computer and software inventory process in conjunction with the Asset Tracking Policy, and reporting un-licensed software.	9/30/2009		
26	06-ITS-I12	9/30/2008	MAS	Compliance to Software License Agreements & LACMTA Policy	Chief Administrative Services Officer	1.6	Non-Compliance to Software Licensing. Set up a secure repository for all related software documents and CDs.	12/31/2009		
27	06-ITS-I12	9/30/2008	MAS	Compliance to Software License Agreements & LACMTA Policy	Chief Administrative Services Officer	1.7	Non-Compliance to Software Licensing. Perform a periodic monitoring and oversight to ensure compliance to these policies.	12/31/2009		
28	07-ACC-I08	9/29/2008	MAS	Audit of FIS - Vendor Master File	Chief Administrative Services Officer	4.3	Vendor File Maintenances Needs Strengthening. Procurement and Material Management - Client Vendor Services will continue to review vendor data as part of the daily business process. In the first quarter of FY09, Client Vendor Services will initiate a meeting to coordinate with key departments (i.e., ITS, Human Resources and Management Audit) to identify and document activities necessary from their area of operations to established procedures for performing annual maintenance of the FIS Vendor data.	3/31/2009		
29	08-OPS-O05	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		
30	08-OPS-O05	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		
31	08-OPS-O05	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	6/30/2009	Extended once.

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32	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		Under review.
33	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		Will close in March.
34	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		
35	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		
36	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.

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37	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.
38	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 CIO 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 IT7 is drafted and has been submitted for review and approval. Will be closed in March.
39	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 CIO 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 IT1 still under revision.
40	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	Policy will be aggenized for Board approval fourth quarter 2009.
41	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	Policy will be aggenized for Board approval fourth quarter 2009.

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42	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 when the government code changes. Therefore 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 effected should there be changes to the code.	12/31/2006	12/31/2007	Policy will be aggenzided for Board approval fourth quarter 2009.
43	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	Policy will be aggenzided for Board approval fourth quarter 2009.
44	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		
45	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		ITS cannot complete service request until April 2009.

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46	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 using 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		
47	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		
48	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 in March 2009.
49	06-INTP-TCBA	5/10/2006	MAS	Report on the Immediate Needs Transportation Program (INTP)	Chief Planning Officer	11	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.

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50	08-OPS-006	10/7/2008	MAS	Fare Media Stockroom Audit	Chief Communications Officer	1a	Stockroom alarms did not trigger during intrusion test. Customer Programs & Services will work with Safety & Security to develop a security checklist and establish a central, secure location for a functional master key.	3/31/2009		
51	08-OPS-006	10/7/2008	MAS	Fare Media Stockroom Audit	Chief Communications Officer	1b	Stockroom alarms did not trigger during intrusion test. The stockroom alarm system will be tested on a quarterly basis.	3/31/2009		
52	08-OPS-006	10/7/2008	MAS	Fare Media Stockroom Audit	Chief Communications Officer	3a	Printing contractor in non-compliance with contract terms. The printer has agreed to install a secondary storage space and locked doorway for our fare media and to document security control measures over fare media printing, receiving, and delivery.	3/31/2009		
53	08-OPS-006	10/7/2008	MAS	Fare Media Stockroom Audit	Chief Communications Officer	3b	Printing contractor in non-compliance with contract terms. On an annual basis the Director of Customer Programs and Services will conduct an unannounced inspection of the printer.	3/31/2009		
54	08-OPS-006	10/7/2008	MAS	Fare Media Stockroom Audit	Chief Communications Officer	4a	Non-enforcement of contract terms of delivery of fare media overruns and scraps to the Agency. Customer Programs & Services will enforce the contract by requiring the printer to deliver the fare media overruns and scrap to the fare media stockroom. Stockroom personnel will be responsible for storing and disposing overruns and scrap.	3/31/2009		
55	08-OPS-006	10/7/2008	MAS	Fare Media Stockroom Audit	Chief Operations Officer	1c	Key could not be located during intrusion test. Safety & Security will implement an Electronic Cabinet System to ensure keys are organized properly, accounted for and located easily.	12/31/2008	4/30/2009	Extended once.
56	08-OPS-007	8/1/2008	MAS	Bus Operator Safety Training	Chief Operations 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		Under review.

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57	08-OPS-007	8/1/2008	MAS	Bus Operator Safety Training	Chief Operations 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		Under review.
58	08-OPS-007	8/1/2008	MAS	Bus Operator Safety Training	Chief Operations 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		Under review.
59	07-OPS-011	6/1/2008	MAS	Tier 1 Service Changes	Chief Operations 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	5/31/2009	Extended once.
60	07-OPS-006	12/6/2007	MAS	Continuity of Operations Plan	Chief Operations Officer	1, 2	Security Sensitive. Security Sensitive Information	12/31/2008		Three recommendations. Rec.1 will close in April 09; rec. 2 will close March 09; rec. 3 closed in March 08.

**All Current Audit Recommendations
Status as of February 28, 2009**

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
61	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	2	Metro has not yet established the required framework to implement GASB Statement 49. Management will develop a policy regarding GASB Statement 49 implementation and reporting and will present for adoption to our Board. Once adopted by the 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 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		Draft policy has been submitted for review. Will close in March.
62	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	3	Metro has not yet established the required framework to implement GASB Statement 49. Management 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		Will close in March.
63	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	4	Metro has not yet established the required framework to implement GASB Statement 49. Management 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		Will close in March.

**All Current Audit Recommendations
Status as of February 28, 2009**

Attachment A

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Finding/Corrective Action	Original Completion Date	Extended Completion Date	Comments
64	08-ACC-F03b	6/30/2008	MAS	Review of Environmental Liabilities	Chief Capital Management Officer	5	Metro has not yet established the required framework to implement GASB Statement 49. Management routinely provides 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 in the middle of the fiscal year. This information is included in the forthcoming fiscal year budget and is tracked using project management tools throughout the year. The procedures used 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		Will close in March.