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October 17, 2018

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON PAW
CHIEF EXECUTIVE OFFICER

FROM: DIANA ESTRADA DE
CHIEF AUDITOR

**SUBJECT: STATUS OF AUDIT RECOMMENDATIONS AS OF
JUNE 30, 2018**

ISSUE

At the March 2005 Executive Management and Audit Committee meeting, the committee requested that the status of all open audit recommendations be reported to them. The report includes audits performed by Management Audit, Office of the Inspector General and audits performed by outside auditors.

DISCUSSION

In this report Management Audit fulfills the request to report the corrective actions for all open audit recommendations related to findings for Metro Operations, Planning and Development, Communications, Information Technology, Finance and Budget, Program Management, Vendor/Contract Management, Human Capital & Development and Systems Safety and Law Enforcement.

During the fourth quarter of Fiscal Year 2018, 29 recommendations were added and six recommendations from previous audits were closed. At the end of the quarter, there were 51 outstanding audit recommendations. Details of all open recommendations as of June 30, 2018 are included in Attachment A.

In addition to the above MAS and external audit recommendations, we closed 11 recommendations made by the Office of the Inspector General (OIG). At the end of the quarter, there were 162¹ outstanding OIG audit recommendations. Details of OIG open recommendations as of June 30, 2018 are included in Attachment B.

We are actively working with staff to close each recommendation as quickly as possible. Any findings that have not been corrected 90 days after the due date are reported as late.

¹ This total does not include recommendations included in the 1) Audit of Westside Purple Line Extension Section 2 - Modification No. 52, 2) Review of Metro Rail Services Disruptions and 3) Increasing Public Transit and Ridership Use Study, as the management response and/or estimated completion dates are still pending.

Table 1
Summary of MAS and External Audit Recommendations
as of June 30, 2018

Executive Area	Closed	Open Recommendations			
		Late	Extended	Not Yet Due/Under Review	Total Open
Communications			5		5
Finance & Budget				3	3
Human Capital & Development	2		3	7	10
Information Technology			1	11	12
Metro Operations	4		6	13	19
Planning and Development			2		2
Totals	6		17	34	51

Table 2
Summary of OIG Audit Recommendations
as of June 30, 2018

Executive Area	Closed	Open Recommendations			
		Late	Extended	Not Yet Due/Under Review	Total Open
Finance & Budget	6				
Metro Operations				124	124
Planning & Development	2				
Program Management				38	38
Vendor / Contract Management	3				
Totals	11	0	0	162	162¹

NEXT STEPS

Management Audit Services will provide the next quarterly status report for the period ending September 30, 2018.

ATTACHMENT(S)

- A. MAS Open Audit Recommendations Report
- B. OIG Open Audit Recommendations Report

1. This total does not include recommendations included in the 1) Audit of Westside Purple Line Extension Section 2 - Modification No. 52, 2) Review of Metro Rail Services Disruptions and 3) Increasing Public Transit and Ridership Use Study, as the management response and/or estimated completion dates are still pending.

MAS Open Audit Recommendations

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Recommendation	Finding/Corrective Action	Original Completion Date	Extended Completion Date
1	16-COM-P01	8/31/2016	MAS	Special Fares Programs	Communications	20	We recommend the Communications Department to report the program performance periodically to the appropriate level of management to support decision making. Update: MOU is being reviewed by County Council.	Lack of program ownership and oversight for Juror TAP (J-TAP) Program. Metro Commute Services (MCS) will work directly with TAP Operations to implement cross-functional responsibilities between the two departments. An updated MOU may be necessary and if so, once will be written or the current one will be updated by March 31, 2017.	3/31/2017	9/30/2018
2	16-COM-P01	8/31/2016	MAS	Special Fares Programs	Communications	21	We recommend the Communications Department to renew the agreement with the Court to confirm mutual agreement. Update: MOU is being reviewed by County Council.	Lack of program ownership and oversight for Juror TAP (J-TAP) Program. Metro Commute Services (MCS) will work directly with TAP Operations to implement cross-functional responsibilities between the two departments. An updated MOU may be necessary and if so, once will be written or the current one will be updated by March 31, 2017.	3/31/2017	9/30/2018
3	16-COM-P01	8/31/2016	MAS	Special Fares Programs	Communications	22	We recommend the Communications Department to revisit the program purpose and guidelines/requirements to assess the current J-TAP Program performance. Update: MOU is being reviewed by County Council.	Lack of program ownership and oversight for Juror TAP (J-TAP) Program. Metro Commute Services (MCS) will work directly with TAP Operations to implement cross-functional responsibilities between the two departments. An updated MOU may be necessary and if so, once will be written or the current one will be updated by March 31, 2017.	3/31/2017	9/30/2018
4	16-COM-P01	8/31/2016	MAS	Special Fares Programs	Communications	23	We recommend the Communications Department obtain a written agreement with DCFS to confirm the mutual agreement and to retain the legal rights to enforce DCFS to meet the Program guidelines and requirements. Update: MOU is being reviewed by County Council.	Lack of written agreement for Youth on the Move Program (YOTM for foster youth). Metro Commute Services (MCS) agrees. Although there are Board documentations and writings that assist in governing the YOTM program, the implementation of an MOU will be explored and constructed. MCS periodically produces an active card list and forwards it to the DCFS YOTM program manager for review. We will work with the manager at Department of Children and Family Services (DCFS) to determine a preset calendar schedule. All findings will be shared with the appropriate level of management by March 31, 2017.	3/31/2017	9/30/2018
5	16-COM-P01	8/31/2016	MAS	Special Fares Programs	Communications	25	We recommend the Communications Department to assess the program performance periodically, and report to the appropriate level of management. Update: MOU is being reviewed by County Council.	Lack of written agreement for Youth on the Move Program (YOTM for foster youth). Metro Commute Services (MCS) agrees. Although there are Board documentations and writings that assist in governing the YOTM program, the implementation of an MOU will be explored and constructed. MCS periodically produces an active card list and forwards it to the DCFS YOTM program manager for review. We will work with the manager at Department of Children and Family Services (DCFS) to determine a preset calendar schedule. All findings will be shared with the appropriate level of management by March 31, 2017.	3/31/2017	9/30/2018

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Recommendation	Finding/Corrective Action	Original Completion Date	Extended Completion Date
6	14-EDD-P01	8/31/2016	MAS	Real Estate Property	Planning & Development	11	We recommend that Real Estate Management complete the required inspections and document inspection records on file. Update: Closed as of July 2018.	Under performance of required inspections. A change to the policies and procedures for placing records into ECMS by the Property Management Unit has been implemented on May 19, 2016. In addition, Staff will conduct annual inspections of MTA-owned buildings that are leased to others (as required by existing policy) and record those inspections in ECMS by June 30, 2017. Ground leases will be inspected when the subject lease is being reviewed for FMV rental adjustments (every three to five years as required by existing policy).	6/30/2017	6/30/2018
7	14-EDD-P01	8/31/2016	MAS	Real Estate Property	Planning & Development	12	We recommend that Real Estate complete the write off process for delinquent accounts that are deemed uncollectable in accordance with the policy established for writing off uncollectable amounts. Update: Closed as of July 2018.	Revenue collection process can be improved. Real Estate Management had already started implementing the corrective actions. Real Estate staff has completed the write-off of all accounts that have been deemed to be uncollectable on March 4, 2016. County Counsel has hired outside counsel to assist in resolving issues with Time Warner Telecom and Level 3. Staff will work with County Counsel to address these accounts. Staff will develop policies and procedures for collecting and writing off past due accounts including consultation with County Counsel as required. This will be completed by June 30, 2017. Staff will establish a process for investigating customer's payment that has no invoice reference so proper application of payment received can be made or invoice can be prepared and incorporate into the new Asset Management System.	6/30/2017	6/30/2018
8	16-OPS-P01	11/18/2016	MAS	Wayside Systems - Track Maintenance	Operations	1	We recommend the Chief Operations Officer require Track management to develop an inventory of linear assets and their components that can be the basis of a PMP to accurately forecast maintenance requirements and component replacements. Update: Pending release of the final RFP. A software system called OpTram is in the initial stages of being developed that will have an inventory of linear assets, including Wayside track assets. This will be a short term solution for the inventory of assets as the long term plan is to replace the M3 system which should include a requirement for linear assets inventory.	Track Preventative Maintenance Plan is not Proactively Aimed towards Sustainment of the Track Structure. Operations will develop an inventory of linear assets and their components by June 30, 2017. This will be dependent on available resources to purchase or develop an M3 module to ensure that a robust inventory of track assets and their components are used as the basis of a PMP for forecast maintenance requirements and component replacements.	6/30/2017	9/30/2018
9	16-OPS-P01	11/18/2016	MAS	Wayside Systems - Track Maintenance	Operations	6	We recommend that while the long-term recommendation is being evaluated, that the Chief Operations Officer require Track management to revise inspection forms/reports to include: applicable checklists with inspection criteria for the different types of inspections; condition description, and ranking description of conditions with estimated completion for corrective actions. Update: Closed as of July 2018.	Track Inspection Data not used for Analysis and Evaluation of Track Structure Condition. Operations will revise inspection forms/reports to include: applicable checklists with inspection criteria for the different types of inspections; condition description, and ranking description of conditions with estimated completion for corrective actions by June 30, 2017.	6/30/2017	6/30/2018

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10	16-OPS-P01	11/18/2016	MAS	Wayside Systems - Track Maintenance	Operations	8	We recommend that while the long-term recommendation is being evaluated, that the Chief Operations Officer require Track management to log all conditions that impact the track structure in the inspection reports, including water damage in the tunnels. Update: Closed as of July 2018.	Track Inspection Data not used for Analysis and Evaluation of Track Structure Condition. Operations will log all conditions that impact the track structure in the inspection reports, including flooding in the tunnels. Coordinate with other units, including Facilities Maintenance, to implement corrective actions for all key inspection conditions impacting the track structure by June 30, 2017.	06/30/2017	6/30/2018
11	16-OPS-P01	11/18/2016	MAS	Wayside Systems - Track Maintenance	Operations	10	We recommend that while the long-term recommendation is being evaluated, that the Chief Operations Officer require Track management to work with other business units who are responsible to implement any corrective actions that may impact track maintenance and/or track condition. Update: Closed as of July 2018.	Track Inspection Data not used for Analysis and Evaluation of Track Structure Condition. Operations will record all obvious deviations and communicate them to the appropriate units to maintain safe track conditions by June 30, 2017. Further, Operations agrees that track maintenance is a team effort and should be planned in accordance with the frequency of other inspections that occur in the tunnel.	6/30/2017	6/30/2018
12	16-OPS-P01	11/18/2016	MAS	Wayside Systems - Track Maintenance	Operations	12	We recommend that the Chief Operations Officer, require Track management to provide training for track management, supervisors and/or leads that create work orders in the M3 system. Update: The training material for the new M3 App was developed and training will start in FY19 Q2. Track supervisors and leads must first create a work order in the M3 system before inspectors can use the M3 App Inspection forms.	Track Work Order Process is Incomplete. Operations will provide training on M3 work orders by June 30, 2017.	6/30/2017	12/31/2018
13	16-OPS-P01	11/18/2016	MAS	Wayside Systems - Track Maintenance	Operations	13	We recommend that the Chief Operations Officer, require Track management to log all open maintenance conditions in M3, as they are identified, to produce meaningful reports. Update: Closed as of July 2018.	Track Work Order Process is Incomplete. Operations will log all open maintenance conditions in M3 as they are identified to produce meaningful reports by June 30, 2017.	6/30/2017	6/30/2018
14	16-ITS-P02	6/30/2017	MAS	Performance Audit of IT Asset Management	Information Technology Services	2	We recommend that the ITS Department Management complete the update of the Standards Compliance and Asset Management (IT 7) Policy to clarify the roles and responsibilities of the ITS department and other cost centers in tracking and managing IT assets. The policy should include the types of IT assets that need to be maintained in IT asset inventory records. The policy revision should also include the extent of the periodic physical inventory/reconciliation based on the risk associated with the type of IT assets and the amount of investment on various types of IT assets. Update: Closed as of July 2018.	IT Asset List is Inaccurate and status of the asset is not updated. ITS will draft updated language for IT-7 and circulate among the departments most likely to be impacted by these changes to solicit their feedback. A final draft will be submitted for official policy review.	10/31/2017	6/30/2018
15	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	1a	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: appropriate prioritization methodology to prioritize travel requests. Update: Revised policy was drafted and issues have been addressed. Policy is pending department executive approval.	Lack of Written Policy and Procedures for the Travel Program Administrator. Management will develop a procedure manual by June 30, 2018.	6/30/2018	12/31/2018

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16	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	1b	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: Target turnaround time for booking completely filled Travel Authorization Forms received. Update: Revised policy was drafted and issues have been addressed. Policy is pending department executive approval.	Lack of Written Policy and Procedures for the Travel Program Administrator. Management will develop a procedure manual by June 30, 2018.	6/30/2018	12/31/2018
17	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	1c	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: requirement to obtain justification which is approved by the department management for late requests (submitted less than 30 days of travel date). Update: Closed as of July 2018.	Lack of Written Policy and Procedures for the Travel Program Administrator. Management will develop a procedure manual by June 30, 2018.	6/30/2018	
18	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	1d	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: requirement when to return incomplete travel request forms to the requestors to complete. Update: Closed as of July 2018.	Lack of Written Policy and Procedures for the Travel Program Administrator. Management will develop a procedure manual by June 30, 2018.	6/30/2018	
19	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	1e	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: requirement to document traveler's management approval and travel change cost records for cost increases in excess of the 20% threshold, resulting from changes made after the initial booking. Update: Closed as of July 2018.	Lack of Written Policy and Procedures for the Travel Program Administrator. Management will develop a procedure manual by June 30, 2018.	6/30/2018	
20	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	1f	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: guideline of acceptable nature and established threshold for allowable cost differences when accommodating traveler preferences or requests. Specify the required traveler's management approval if any, and whose responsibility it will be to pay the cost difference in excess of the allowable threshold. Update: Closed as of July 2018.	Lack of Written Policy and Procedures for the Travel Program Administrator. Management will develop a procedure manual by June 30, 2018.	6/30/2018	
21	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	3	We recommend the General Services Management to continue to collaborate with the ITS Department to implement a Travel Information Management System to automate the travel coordination, booking, supporting documentation retention, and expense reimbursement processes.	Lack of Written Policy and Procedures for the Travel Program Administrator. General Services will continue working with ITS to implement an electronic Travel Authorization and Reimbursement System, no later than December 31, 2018.	12/31/2018	

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22	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	5	We recommend the General Services Management to update the current Travel and Business Expense Policy (FIN 14) to require travelers to submit the Travel Authorization Form at least 30 days prior to the travel date. Require justification and management approval for travel request submitted less than the 30 days requirement. Update: Closed as of July 2018.	Travel and Business Expense Policy Needs to be Strengthened. Management will work with Workforce Services to update FIN 14 policy by June 30, 2018. General Services will develop new Key Performance Indicators to measure Travel Authorization and Travel and Business Expense submission and processing transactions for reporting in April 2018, concurrent with the periodic summary report of all travel transactions.	6/30/2018	
23	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	6	We recommend the General Services Management to extend no show penalty provision to flights and other travel reservations to enforce the travelers to inform the Travel Office of the cancelled travel. Clarify traveler's responsibility if any, to pay for the cost of the missed flights. Update: Revised policy was drafted and issues have been addressed. Policy is pending department executive approval.	Travel and Business Expense Policy Needs to be Strengthened. General Services will address recommendation by modifying FIN 14 policy to extend the no-show policy to airfare consistent with its current application to hotel no-shows.	6/30/2018	12/31/2018
24	18-CEO-P01	1/26/2018	MAS	Consulting Engagement for the Travel Booking Process	Human Capital & Development	9	We recommend the General Services Management to consider evaluating staffing resource adequacy as a result of the Travel Program Administrator's increased responsibilities related to the monthly credit card reconciliations.	Travel and Business Expense Policy Needs to be Strengthened. General Services Management will implement recommendations 1-8 as shown above, and review the procedures and data after a year to determine if additional staffing is required. We note that in CY2017, the Travel Program Administrator processed 1,038 Travel Authorization, a 10.3% increase over 2016, and a 14% increase over the average of the period reviewed.	6/30/2019	
25	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	1	We recommend that the Chief Information Officer require training for the new IT Project Management Methodology for all ITS Project Managers, Delivery Managers, and Resource Managers, and any other ITS personnel heavily involved in the implementation of IT projects to ensure every ITS resource understands the new IT Project Management Methodology.	Formalized IT Project Management Methodology Needs to be Rolled Out. An IT Project Management Methodology Training Plan has been created that will be executed. The training plan provides training for existing PMs who are also Delivery and Resource Managers. Due to the busy schedule of the PMs, the training plan consists of 4 sets of 8 hour training sessions followed by on the job training and mentoring at one set per quarter. Training started in March 2018.	3/30/2019	
26	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	2	We recommend that the Chief Information Officer rollout the IT Project Management Methodology developed by the Program Management Office.	Formalized IT Project Management Methodology Needs to be Rolled Out. IT Project Management Methodology will be implemented in coordination with the Training Plan. The Initiation Phase will be rolled out after the first training session is completed in April 2018. The subsequent three PMLC phases will be rolled out after their corresponding training sessions.	3/30/2019	

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27	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	3	We recommend that the Chief Information Officer require that all IT required project documentation be completed for each phase of all IT projects, based on the IT Project Management Methodology. This is especially important to show adequate requirements analysis and measurement of end-user involvement, testing, and acceptance.	Formalized IT Project Management Methodology Needs to be Rolled Out. The IT Project Management Methodology Training Plan includes training for these documents. When methodology training and rollout are completed deliverable documents appropriate for each new project will be identified and created. With each phase of training the appropriate documentation will be created. The full rollout will be completed which will include all required documentation. In the interim the PMO will assist with ensuring required PM documentation is completed.	6/30/2019	
28	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	4	We recommend that the Chief Information Officer require that project documentation be maintained in a central location during and after the completion of IT projects to ensure proper management oversight and transparency is available during the course of a project, and for purposes of historical reference on future and similar projects.	Formalized IT Project Management Methodology Needs to be Rolled Out. ITS is evaluating the best option for the repository to maintain the final project documentation as well as shared locations for the in progress project documentation.	8/31/2018	
29	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	5	We recommend that the Chief Information Officer require that IT controls are designed into new systems and reflected within IT project management plans, and resulting operational procedures. A risk-based approach to the design and implementation of controls, related to application and related systems and business processes, should be utilized. Focus should be placed on risks that have the highest impact and likelihood to occur. At a minimum, the following controls should be addressed on all IT projects to ensure a sound control environment upon completion: Data Security Controls, Financial Controls, Application Controls, General Computer Controls (Infrastructure), Data Conversion Controls, Interface Controls, Data Integrity Controls.	Formalized IT Project Management Methodology Needs to be Rolled Out. ITS will start an initiative to identify and design IT controls into new systems, within IT project management plans, and resulting operational procedures.	6/30/2019	
30	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	6	We recommend that the Chief Information Officer include IT Security personnel in the system delivery life-cycle to identify potential areas of IT control risk and the remediation plans that are required after implementation occurs. Update: IT is currently hiring a Security Executive Officer who will determine the level of support and involvement for security staff in system delivery life cycle.	Formalized IT Project Management Methodology Needs to be Rolled Out. Will start involving IT Security personnel in the system delivery life-cycle.	8/31/2018	2/28/2019
31	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	7	We recommend that the Chief Information Officer perform periodic resource planning and obtain approval for adequate staffing to meet the demand in project management and delivery capability that will be required to complete the strategic initiatives and anticipated changes in work load.	Lack of Segregation of Duties. Since ITS has not been able to receive its requested resources in the past, there is no assurance that required resources will be added to implement this recommendation.	6/30/2019	
32	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	8	We recommend that the Chief Information Officer consider centralizing the IT project management function within the Program Management Office to ensure a consistent project management approach is applied to all IT projects, and to facilitate the segregation of between project managers and delivery managers.	Lack of Segregation of Duties. Agree in concept. This recommendation is consistent with the PMO maturity plan. It requires a project management policy and organization adoption approved by the CIO and Senior Management Team. However, as stated before successful implementation of this recommendation is contingent on additional staffing resources.	6/30/2019	

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Recommendation	Finding/Corrective Action	Original Completion Date	Extended Completion Date
33	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	9	We recommend that the Chief Information Officer in the event that a delivery manager is required to perform as a project manager on a specific project, we recommend that: a second delivery manager be assigned to handle all engineering aspects of the project and the Project Management Office initiate an independent quality control review that will allow the reviewer to review for key controls/requirements during key phases of the project (e.g. at the end of planning, end of field work) to ensure that all IT Project Management requirements are met and that the project provides for full disclosure and transparency.	Lack of Segregation of Duties. Agree in concept. However, like Recommendation #7, is also dependent on having additional resources. Since ITS has not been able to receive its requested resources in the past, there is no assurance that required resources will be added to implement this recommendation. This recommendation requires ITS to accept the two roles as separate and distinct with different knowledge and experiences. ITS will collaborate with Talent Acquisition to create the Delivery Management Role and Metro classification. Therefore, this recommendation requires an agency redefinition of project management and delivery management job titles and Governance policy mandate to enforce its execution.	6/30/2019	
34	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	10	We recommend that the Chief Information Officer (CIO) in conjunction with, Chief Procurement Officer (CPO) and Chief Financial Officer (CFO) corroborate on how the ITS Department can be informed/involved earlier in the Procurement and OMB process when planned procurements/budgets include requests that require technology usage at Metro. Example, consider identifying the Procurement/Budget forms that are being completed by various cost centers and add fields that will flag the need to consult/discuss with ITS Department for technology components or future maintenance/operations of projects.	Lack of Segregation of Duties. ITS will work with Vendor / Contract Management and Budget Departments to update current procurement and budget request investment processes to ensure that ITS is notified of the project initiatives that include any technology usage at Metro. Further, the CIO will lead a collaborative effort with the CPO and CFO to implement a process by which planned procurements/budgets involving IT technology are reviewed through the Governance process. OMB: The process is currently in place from Budget and Resources allocation point of view. There's existing capital and operating budget process to initiate and articulate budget/resources request. However, this does not replace the need of a clear ITS policy. The policy should clearly and proactively define a clear requirement, recommendation decision making and alternatives for departments to express and request for Technology update/support. V/CM: V/CM will work with ITS and Budget Departments to review the current procurement requisition request processes to ensure that ITS is notified of the project initiatives that include any technology usage at Metro. In addition, the CPO will participate with the CIO and CFO to implement a process by which planned procurements involving IT technology are reviewed through the Governance process.	8/31/2018	2/28/2019
35	17-ITS-P01	6/5/2018	MAS	Performance Audit of Information Technology Services (ITS) Project Management	Information Technology Services	11	We recommend that the Chief Information Officer (CIO) in conjunction with, Chief Procurement Officer (CPO) and Chief Financial Officer (CFO) corroborate on any training needs necessary so that various cost centers understand what the additional fields in various forms mean and their requirements.	Lack of Segregation of Duties. We will educate cost centers on the current and revised processes that will alert ITS about their project initiative.	8/31/2018	2/28/2019

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36	17-OPS-P07	6/14/2018	MAS	Performance Audit of the Track Allocation Process	Operations	1	We recommend the Chief Operations Officer direct the Track Allocation Coordinator to define priorities among the activities (e.g. mandated work, maintenance work, cyclical work, etc.) for granting access on or around the ROW. Additionally, define the maximum number of crews that should be in or around the ROW at any given time. Both should be a joint effort between the Track Allocation Coordinator and Rail Operations Controller.	<p>Better Coordination and Communication is Needed Among the Track Allocation Coordinator, Rail Operations Controller, and Requesters to Optimize the Right-of-Way (ROW) Usage. Management informed us that this is already occurring and that it will be a continued joint effort between Rail Transportation and Maintenance of Way. However, track allocation activities are subject to change depending on priorities or emergency situations, such as the Gold Line overhead catenary system work which is a current priority for track allocation on the Gold Line.</p> <p>MAS: Subsequent to receipt of the response, we met with Operations Management to clarify their response. Operations Management informed us that they are in the process of developing formal guidelines on priorities that will be incorporated into existing procedures. Operations Management plans to complete the guidelines by August 2018.</p>	8/31/2018	
37	17-OPS-P07	6/14/2018	MAS	Performance Audit of the Track Allocation Process	Operations	4a	We recommend the Chief Operations Officer consider directing Rail Operations to add more fields in the electronic Track Allocation Request Form to assist Rail Operations Controllers in minimizing some of their manual entries. For example, the Track Allocation Request Form could be further configured to include a check box indicating if the schedule was activated or not, as well as the time and date it was activated, and a drop down menu to include reasons for schedule modification	<p>Better Coordination and Communication is Needed Among the Track Allocation Coordinator, Rail Operations Controller, and Requesters to Optimize the Right-of-Way (ROW) Usage. Rail Operations completed Phase 1 of the electronic Track Allocation Form. The electronic process will result in data gathering to ease tracking and trending of the track allocation activities so that track allocation activities can be assessed on an ongoing basis.</p> <p>MAS: Subsequent to receipt of the response, Management Audit Services met with Operations Management to clarify their response. Operations Management informed us that the completion of the electronic Track Allocation Request Process consists of several phases, such as developing an electronic Track Allocation Form/Schedule, integrating System Generated Special Events Calendar, generating an electronic Work Permit, and generating System Reports. Phase 1 was completed in January 2018 and the remaining phases that will assist Rail Operations Controllers are estimated to be completed by June 2019.</p>	6/30/2019	

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38	17-OPS-P07	6/14/2018	MAS	Performance Audit of the Track Allocation Process	Operations	4b	We recommend the Chief Operations Officer consider directing the Track Allocation Coordinator to measure effectiveness of schedules by periodically assessing whether crews that were scheduled to access the ROW actually accessed the ROW. This will provide visibility to the stakeholders as well as assist the Track Allocation Coordinator in modifying future schedules. This periodic review will only be possible once the data from the newly implemented log has been collected.	<p>Better Coordination and Communication is Needed Among the Track Allocation Coordinator, Rail Operations Controller, and Requesters to Optimize the Right-of-Way (ROW) Usage. Rail Operations completed Phase 1 of the electronic Track Allocation Form. The electronic process will result in data gathering to ease tracking and trending of the track allocation activities so that track allocation activities can be assessed on an ongoing basis.</p> <p>MAS: Subsequent to receipt of the response, Management Audit Services met with Operations Management to clarify their response. Operations Management informed us that the completion of the electronic Track Allocation Request Process consists of several phases, such as developing an electronic Track Allocation Form/Schedule, integrating System Generated Special Events Calendar, generating an electronic Work Permit, and generating System Reports. Phase 1 was completed in January 2018 and the remaining phases that will assist Rail Operations Controllers are estimated to be completed by June 2019.</p>	6/30/2019	
39	17-OPS-P07	6/14/2018	MAS	Performance Audit of the Track Allocation Process	Operations	5	We recommend the Senior Executive Officer, Rail Operations partner with the Senior Executive Officer, Rail Maintenance & Engineering and the Deputy Executive Officer, Operations to consider which of these two technologies, Google Map or HASTUS should be used to assist Rail Operations Controllers in navigating emergency crews or individuals and/or staff doing business with Metro.	<p>Enhance Use of Technology to Improve View of Metro's Rail Infrastructure and Locating Crews Working on or Around the ROW. Rail Operations, with the Senior Executive Officer of Rail Maintenance & Engineering, and the Deputy Executive Officer of Operations will consider Google Map or HASTUS to assist Rail Operations Control Rail Transportation Operations Supervisor staff in navigating emergency crews or individuals and/or staff conducting business with Metro.</p>	9/30/2018	
40	17-OPS-P07	6/14/2018	MAS	Performance Audit of the Track Allocation Process	Operations	6	We recommend the Chief Operations Officer direct Rail Operations work with Rail Communications to consider the enabling of the GPS feature already embedded in Metro's Portable Radios, which will assist Rail Operations Controllers in managing the number of individuals working above ground on or around the ROW. Update: Closed as of August 2018.	<p>Enhance Use of Technology to Improve View of Metro's Rail Infrastructure and Locating Crews Working on or Around the ROW. Pending any timelines, training, and/or resources required by Rail Communications to enable the GPS feature already embedded in Metro's portable radios, which will assist Rail Operations Controllers in managing the number of individuals working above ground on or around the ROW.</p>	7/31/2018	
41	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Finance & Budget	1	We recommend Revenue Collections collaborate with Workforce Services to develop a monthly employment status report to identify all personnel changes. (e.g. transfers, retirements, and terminations employees). Update: Closed as of August 2018.	<p>Unnecessary Access to the Electronic Key Dispenser. Revenue Collections will request Workforce Services and Operations Maintenance to submit a monthly employment status report for personnel changes. Revenue Collections will provide Operations Maintenance with a quarterly report and a listing of electronic key dispenser users for validation.</p>	7/31/2018	

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Recommendation	Finding/Corrective Action	Original Completion Date	Extended Completion Date
42	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Finance & Budget	2	We recommend Revenue Collections review the monthly employment status report and ensure that transferred, terminated, and retired employees are removed at least quarterly from the Electronic Key Dispenser database.	Unnecessary Access to the Electronic Key Dispenser. Revenue Collections will request Workforce Services and Operations Maintenance to submit a monthly employment status report for personnel changes. Revenue Collections will provide Operations Maintenance with a quarterly report and a listing of electronic key dispenser users for validation.	7/31/2018	
43	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Finance & Budget	3	We recommend Revenue Collections update the UFS Standard Operating Procedures to include all job titles and appropriate equipment access type that is needed to complete required job responsibilities.	Unnecessary Access to the Electronic Key Dispenser. Revenue Collections will request Workforce Services and Operations Maintenance to update the UFS Standard Operating Procedures to include job titles and appropriate access type to the electronic key dispenser.	12/31/2018	
44	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	4	We recommend that Operations Maintenance Management work with Revenue Collections to update the UFS Standard Operating Procedures to include procedures for probing and vaulting out of service buses, including: Who is responsible for probing and vaulting out service buses; What time frame the buses should be probed; How the portable probes will be stored and used in emergency situations (in collaboration with TAP and Revenue Collections); Requirement that all 12 portable probes are in good working condition. In addition, once the SOP is updated, communicate it to all Divisions.	Lack of Detailed Procedures for Probing and Vaulting Out of Service Buses. Operations Maintenance Management will update the UFS Standard Operating Procedure to address the four areas listed above. The updated UFS Standard Operating Procedure will then be distributed and communicated to all Divisions.	12/31/2018	
45	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	5	We recommend Operations Maintenance Management work closely with the Revenue Collections and the TAP Department to ensure that the Buses Not Probed exception reports are accurate, complete, and reliable.	Lack of Monitoring for Probing and Vaulting of In Service Buses and Exception Reports Used to Identify Buses Not Probed are Not Reliable. Operations Maintenance Management will develop a team to ensure that Buses Not Probed exception reports are accurate, complete, and reliable.	6/30/2018	9/30/2018
46	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	6	We recommend Operations Maintenance Management designate a person from each division to receive the exception reports. Communicate designee to TAP. Update: Closed as of July 2018.	Lack of Monitoring for Probing and Vaulting of In Service Buses and Exception Reports Used to Identify Buses Not Probed are Not Reliable. The designees that will receive the exception reports at each bus division are: Director, Manager, and Supervisors.	5/31/2018	
47	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	7	We recommend Operations Maintenance Management designate a person from each division to monitor probing and vaulting exception reports of in service buses and follow-up on exceptions. Update: Closed as of July 2018.	Lack of Monitoring for Probing and Vaulting of In Service Buses and Exception Reports Used to Identify Buses Not Probed are Not Reliable. The designee that will follow-up with the exception reports is: the supervisor on duty during the vaulting period.	5/31/2018	
48	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	8	We recommend Operations Maintenance Management work with Revenue Collections to update the UFS Standard Operating Procedures so that all references to exception reports are correct.	Lack of Monitoring for Probing and Vaulting of In Service Buses and Exception Reports Used to Identify Buses Not Probed are Not Reliable. The UFS Standard Operating Procedures will reference the exception reports once completed.	12/31/2018	

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49	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	9	We recommend Operations Maintenance Management to require Equipment Maintenance Supervisors/Equipment Service Supervisors to report camera malfunctions to ITS as soon as identified and establish a turn-around time to follow-up with ITS in the event cameras are not repaired in a timely manner. Update: Closed as of July 2018.	Inspection of Surveillance Equipment Needs Improvement to Ensure Proper Monitoring of Vaulting Activities to prevent theft of cash. A memo will be sent to all Bus Directors to report any CCTV camera failures to the ITS Help Desk. ITS will assign a technician within 24 hours and will prioritize repairs accordingly.	6/30/2018	
50	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	10	We recommend Operations Management work with ITS to require Bus and Contracted Services Divisions to retain surveillance footage for at least 30 days. Update: Closed as of July 2018.	Inspection of Surveillance Equipment Needs Improvement to Ensure Proper Monitoring of Vaulting Activities to prevent theft of cash. All Bus Maintenance Divisions, including Contract Services Divisions, have the storage capacity to retain surveillance footage for at least 30 days.	5/31/2018	
51	17-OMB-P02	6/22/2018	MAS	Performance Audit of the Farebox Revenue Process	Operations	11	We recommend that Operations Maintenance Management enforce existing procedures to require that Equipment Maintenance Supervisors/Equipment Service Supervisors inspect garage computer rooms to ensure they are maintained in accordance with the UFS SOP, and conduct a periodic review to ensure that garage computer rooms are being inspected. Update: Closed as of July 2018.	Maintenance of Garage Computer Rooms Needs Improvement to Prevent Injury to Staff and Damage to Equipment. A memo will be sent to all Bus Directors to inspect the garage computer rooms during their monthly facility inspection. Also, Revenue Collections will continue to inspect the CCTV network to ensure that it is functional and focused on appropriate locations. This effort will proceed with the assistance of ITS and Maintenance Operations.	6/30/2018	

OIG Open Audit Recommendations

No.	Report Number	Report Date	Audit Entity	Title	Exec Area	Rec No	Recommendation	Finding/Corrective Action	Original Completion Date	Extended Completion Date
1	16-AUD-01	2/29/2016	OIG	Capital Project Management Best Practices Study	Program Management	38 Total	The 109 recommendations included in this report address Training, Stakeholder Engagement, Life Cycle Costs, Risk Management, Partnering with Utility Companies, Adv. Utility Relocation, Addressing Delays, Change Control, and Improving Contract Administration. Update: As of September 2018, 108 of 109 recommendations were closed. The last remaining recommendation is currently being evaluated based on the responses provided by Program Management.			
2	18-AUD-05	5/18/2018	OIG	Audit of Metro Bus Maintenance Program	Operations	1a	We recommend that the Maintenance Department should ensure that Maintenance management communicate to staff the importance of completing inspection forms in accordance with Metro's policies and procedures.	The Bus Maintenance Plan dated 2016 reviewed for this audit is in the process of being updated. Recommendations 1a and 1b will be incorporated into plan and communicated to staff.	8/31/2018	
3	18-AUD-05	5/18/2018	OIG	Audit of Metro Bus Maintenance Program	Operations	1b	We recommend that the Maintenance Department should ensure that Maintenance management determine how the documentation of mileage will be handled on inspection forms.	The Bus Maintenance Plan dated 2016 reviewed for this audit is in the process of being updated. Recommendations 1a and 1b will be incorporated into plan and communicated to staff.	8/31/2018	
4	18-AUD-05	5/18/2018	OIG	Audit of Metro Bus Maintenance Program	Operations	2	We recommend that the Maintenance Department should ensure Maintenance management clarifies in the Preventive Maintenance Inspection Guidelines that mileage should also be recorded on the inspection forms.	Maintenance management will clarify in the Preventive Maintenance Inspection Guidelines whether mileage should also be recorded on the inspection forms.	8/31/2018	
5	18-AUD-05	5/18/2018	OIG	Audit of Metro Bus Maintenance Program	Operations	3	We recommend that the Maintenance Department should ensure all policies and procedures are incorporated into Metro's written Bus Maintenance Plan and Preventive Maintenance Inspection Guidelines.	The Bus Maintenance Plan is currently being updated and will include all current policies and procedures relative to bus maintenance and preventive maintenance inspection guidelines.	8/31/2018	
6	18-AUD-05	5/18/2018	OIG	Audit of Metro Bus Maintenance Program	Operations	4	We recommend that the Maintenance Department should ensure management monitors past due PMP work orders on a continuous basis and identify and work with those divisions that have a high number of past due work orders. Update: Closed as of September 2018.	All past due PMP's are monitored daily by Executive Management. This practice will continue.	8/31/2018	
7	18-AUD-05	5/18/2018	OIG	Audit of Metro Bus Maintenance Program	Operations	5	We recommend that the Maintenance Department should ensure Maintenance managers review bus pullout cancellation information on a regular basis and identifies and works with those divisions that have a high number of cancellations. Update: Closed as of September 2018.	Pullout and cancellation reports have been reviewed on a daily basis by Executive Management as of July 2017. Divisions with a high number of cancellations will continue to be identified and monitored in an effort to reduce cancellations agency wide.	8/31/2018	
8	18-AUD-05	5/18/2018	OIG	Audit of Metro Bus Maintenance Program	Operations	6	We recommend that the Maintenance Department should ensure Metro's Bus Maintenance Plan and Preventive Maintenance Inspection Guidelines (a) accurately cite the most current Federal regulations, and (b) all sections of the Bus Maintenance Plan are updated at the same time.	The Bus Maintenance Plan is currently being updated and will accurately cite the most current federal regulations and all sections of this plan will be updated at the same time.	8/31/2018	

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9	17-AUD-04	12/22/2016	OIG	Review of Metro Safety Culture and Rail Operational Safety	Operations	117 Total	The 117 recommendations included in this report address findings in Safety Culture, Red Signal Violations, Safety Assessment of Infrastructure Elements, Technology, Operations and Maintenance, Human Resources, and etc. Update: As of July 2018, 65 of 117 recommendations were closed.			

The above list does not include recommendations for the 1) Audit of Westside Purple Line Extension Section 2- Modification No. 52, 2) Review of Metro Rail Services Disruptions and 3) Increasing Public Transit and Ridership Use Study, as the management response and/or estimated completion dates are still pending.