

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

**Statutorily Mandated Audit of
Miscellaneous Expenses for the Period
July 1, 2019 to September 30, 2019**

Report No. 20-AUD-08

June 11, 2020



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Metro

DATE: June 11, 2020

TO: Metro Board of Directors
Metro Chief Executive Officer

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

SUBJECT: Final Report on Statutorily Mandated Audit of Metro Miscellaneous Expenses
From July 1, 2019 to September 30, 2019 (Report No. 20-AUD-08)

INTRODUCTION

The Office of the Inspector General (OIG) performed an audit of Metro miscellaneous expense transactions processed from July 1, 2019 to September 30, 2019. This audit was performed pursuant to Public Utilities Code section 130051.28(b) which requires the OIG to report quarterly on the expenditures of the Los Angeles County Metropolitan Transportation Authority (Metro) including its Board of Directors for miscellaneous expenses, such as travel, meals, refreshments, and membership fees.

We found that the transactions reviewed generally complied with Metro policies, were reasonable, and adequately supported by required documents. However, we noted the following issues on 5 of the 48 expenses reviewed:

- Inadequate documentation of Purchase Card transaction
- P-Cardholder mistakenly listed as Business Unit Coordinator
- Employee's sponsored travel expenses not being reimbursed to Metro after ten months of the event
- Non-compliance with Travel and Business Expense policy

OBJECTIVES, METHODOLOGY AND SCOPE OF AUDIT

The objectives of the audit were to determine whether:

- Expenses charged were proper, reasonable, and in accordance with Metro policies and procedures.
- Expenses had proper approval, receipts, and other supporting documentation.
- Policies and procedures were adequate and followed to ensure that expenses were documented and properly accounted for.

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To achieve the audit objectives, we performed the following procedures:

- Obtained and reviewed applicable policies and procedures;
- Interviewed Metro personnel including staff in Accounting, General Services, Communications, and Operations; and
- Reviewed invoices, receipts, justification memos, and other supports.

This audit covered a review of Metro miscellaneous expenses for the period of July 1, 2019 to September 30, 2019. For this period, miscellaneous expenses totaled \$1,854,681¹ with 739 transactions. We selected 48 expense transactions totaling \$393,886 for detail testing. Thirty of the expense transactions were randomly selected, 6 were selected due to their large dollar amounts and the remaining 12 were judgmentally selected for an expanded review of Business Travel (Account 50917), which was the focus of this quarter's review. As a result, we examined 20 travel expenses with a total amount of \$39,244 out of 48 samples mentioned above. See Attachment A for details.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

BACKGROUND

All Metro expenditures are categorized into various expense accounts and recorded in Metro's Financial Information System (FIS). Metro employees have several options for seeking payment for miscellaneous expenses incurred, such as check requests, purchase cards, purchase orders, and travel & business expense reports. Each option has its own policies, procedures, or guidelines. The Accounting Department's Accounts Payable Section is responsible for the accurate and timely processing of payment for miscellaneous expenses.

RESULTS OF AUDIT

The audit found that the transactions reviewed generally complied with policies, were reasonable, and adequately supported by required documents. However, we noted issues on the following five transactions.

¹ This total does not include transactions that were \$200 or less, offsetting debits/credits, and transactions from the OIG, Ethics, and Transit Court Departments, which were de minimis or nonexistent.

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1. Inadequate Documentation of Purchase Card Transaction

Rail Transit Operations Expo Line Division 14 General Clerk, who is the P-Card holder, normally buys car wash vouchers from the local car wash company, and provides the vouchers to Metro staff when they go to the local car wash company to have Metro cars washed. The P-Card holder maintains a log book to keep track of the vouchers when they are used.

Our review of a sampled transaction for the purchase of car wash vouchers of \$216 through P-Card by Division 14 on July 1, 2019 found that it lacked adequate documentation to support the payment as required by Metro P-Card policy. The only supporting document we found for the purchase was a credit card receipt that only showed the total dollar amount. The receipt did not show the number of car wash vouchers being purchased, the type of car wash services, or the unit price per car wash, or the license plate number of the Metro car washed.

This issue occurred because the P-Cardholder assumed that the log book and the receipt were adequate to support the transaction, even though it was not itemized.

Metro Purchase Card Program is designed to streamline and simplify the purchasing and payment process for small dollar transactions. The Purchase Card (P-Card) may be used to purchase goods and limited services. According to the P-Card policy, adequate documentation is required to submit for the support of all transactions and related receipts should be itemized.

With the receipt not being itemized, we were unable to verify if the amount charged to the P-Card was accurate or for a Metro vehicle. We recommend that the P-Cardholder should ask for the itemized receipt whenever prepaid car wash vouchers are purchased. Both the P-Cardholder and Approving Official should ensure that all P-card transactions are supported with adequate documentation.

2. P-Cardholder Mistakenly Listed as Business Unit Coordinator

Criteria: According to Metro’s Purchase Card Rules and Guidelines, “*a Business Unit Coordinator may not be assigned as a P-Cardholder.*” This is to maintain separation of responsibilities and to have strong internal controls over the P-Card Program.

The Business Unit Coordinator (BUC) acts as the focal point for all matters related to the P-Card within the Business Unit. The BUC is responsible for proper execution of the program. Specifically, the BUC is responsible for overseeing the P-Cardholder and Approving Official’s compliance with the P-Card Program requirements and restrictions, and ensuring that monthly statements are fully reconciled and all charges are supported by an itemized receipt.

Our review of Communications Department’s P-Card Log in August 2019 found that the Executive Secretary of the Chief Communications Officer was listed as both the BUC and the P-Cardholder. This is against the program policy as there is no segregation of duties and responsibilities.

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The Department's Administration and Financial Services Manager explained that the P-Cardholder mistakenly listed her name in the log. She assured us that they will correct the error in their future P-Card logs. We checked with the Agency Program Coordinator and based on the list he provided, we confirmed that the said Department Manager is the BUC as well as the Approving Official, which is allowed based on P-Card Rules and Guidelines.

In our prior audit of miscellaneous expenses for the period October to December 2018 (20-AUD-01), we had a similar finding and this issue was addressed by the Administration and Policy group in the Procurement Department. They instituted a Metro Purchase Card Program Quarterly Newsletter, which is being sent to all program participants in which policy reminders, such as separation of roles, and other policy topics are addressed. To date, this is still being done quarterly, in addition to the training they regularly conduct for the employees.

It is important that all information in the P-Card Log are listed correctly to avoid confusion and to clearly define the responsibilities of the participants.

3. Employee's Sponsored Travel Expenses Not Being Reimbursed to Metro after Ten Months of the Event

Our review found that an employee's sponsored travel expenses had not been reimbursed to Metro after ten months of the event. An employee at the Office of Extraordinary Innovation attended an Infrastructure Forum as a panel speaker in New York from June 12-13, 2019. The sponsoring organization advised him that they would cover his travel, two-night accommodation and registration fee. He was instructed to book his flight first, which will be reimbursed after the conference. He made travel arrangements with Metro's Travel Program Administrator where Metro paid for the cost of his round-trip ticket for \$459.60.

We checked with the employee if the sponsor had reimbursed Metro for his air fare because it has been over ten months since June 2019. He stated that he would follow up with the sponsor and would advise us once a check is issued to Metro. As of this report, Metro has not received the reimbursement check from the sponsor organization.

For sponsored travels, the Department should follow up and determine if all expenses were actually paid by the sponsoring organization. In cases where Metro advanced the travel expenses, the Department should ensure that Metro is reimbursed promptly. This needs to be automated to track. Possibly the new travel on line system could have an enhancement to track it for all travel identified as "Sponsored" or the system in Accounting might have a capability to track this.

Also, since this was sponsored travel, the Department should ensure that they are in compliance with Ethics rules. The Department Head said that they always follow all the requirements to comply with the rules. The employee added that they had consulted with Ethics on specific instances when sponsorship of travel is supported by a single firm or group of firms. Currently,

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however, the Travel and Business Expense (FIN 14) policy does not include guidelines on sponsored travels even though the Ethics Department provided input to update the Travel Policy to include that information a year ago. The Travel Program Administrator informed us that FIN 14 is currently under review to include the correct instructions for sponsored travels. This policy should be updated now to include the information already provided by the Ethics Department.

4. Non-Compliance with Travel & Business Expense Policy

For this quarter from July 1, 2019 to September 30, 2019, we performed an expanded review of Business Travel expenses. The total Business Travel expenses for the quarter was \$142,339, from which we sampled 20 transactions in the amount of \$39,244 and examined their supporting documents.

The following is the summary of Business Travel expenses by Cost Center from July 1, 2019 to September 30, 2019:

Cost Center	Cost Center Name	Business Travel	
		Total Amount	Sample Amount
3320	Vehicle Technology & Acquisition	\$ 18,231	\$ 6,097
9230	Systems Architecture & Technology	11,284	1,676
2220	Congestion Reduction	10,879	7,843
8010	Project Management, Transit	8,731	675
1010	Board Admin	6,710	2,630
3043	Rail Vehicle Acquisition	6,621	1,342
3936	Rail Transit Operations Instruction	5,547	2,379
2010	Chief Executive Office	5,211	2,320
3910	Exec. Director, Maint. & Eng.	5,022	4,776
7119	Metro Art & Design	3,974	3,974
3945	Rail Fleet Services Instruction	2,324	2,324
8320	Major Capital Project Engineering	1,370	1,370
2031	Office of Extraordinary Innovation	1,317	775
4510	Exec. Office Real Estate, Transit Oriented	949	419
3240	Operations Central Instruction	750	419
7160	Community Relations	225	225
Others	Below \$3,000 and/or No Sample	53,194	-
	Total	\$ 142,339	\$ 39,244

Our review of Business Travel expenses found that the 20 sampled transactions generally complied with Metro policies. However, we found issues on the following transactions:

a. No Justification Memo for Lodging in Excess of Allowable Rate

Criteria: The Travel and Business Expense (FIN 14) policy states that hotel lodging and meals will be reimbursed based on the maximum published by the U.S. Department of State Standardized Regulations “Maximum Travel Per Diem Allowances for Foreign Areas.” An exception to the lodging dollar limit may be made for conference hotels or close proximity to the final business destination. In cases when lodging exceeds the allowable rate, the traveler is required to submit a justification memo approved by the Executive Officer.

Our review found that an employee at Communications, Metro Art and Design, attended the Design & Culture Committee Meeting on June 8, 2019 and participated as a speaker at the UITP Global Public Transport Summit which was held in Stockholm, Sweden, from June 9 to 12, 2019. Her TBE Report included hotel reimbursement of \$3,105.00 for six nights from June 7 to 13, 2019. The hotel rates before tax ranged from \$427.00 to \$532.00 per night. These rates were more than double the allowable rate before tax of \$203.00 per night. The total amount in excess of the hotel per diem was \$1,555.00 for six nights. No justification memo for the excess lodging was on file.

We also noted that while the Travel Request/Authorization (TA) was approved in January 2019, the hotel was booked on May 25, 2019 – less than two weeks before the employee’s departure to Sweden on June 6, 2019. This might be the main reason why the hotel rates were higher, considering that the month of June was a high season for travel.

The employee explained that the conference organizers changed the speaking date in late April 2019 and she had to revise the TA on May 1, 2019. She also stated that due to her hectic work schedule that month, she was unable to finalize her hotel plans until May 25, 2019. She added that the conference was overbooked and there were very few hotel rooms available, but she made sure that she selected the least expensive single-person hotel room.

The employee and the Travel Program Coordinator confirmed that there was no memo of justification for the excess lodging. The former assumed that it was approved when she booked her accommodation through the new Concur online system used by Metro for travel. It was her understanding that based on the notification she received from the online system, along with conversations with the Travel Office, her travel arrangement was already reviewed and approved and was, therefore, in full concurrence with the Agency requirements. The Travel Program Coordinator acknowledged that there was an oversight in this matter.

The employee submitted the justification memo to the Travel Program Administrator after the Chief Communications Officer approved it on March 13, 2020.

It is important for the employee to make travel arrangements as far in advance as possible to ensure that travel is booked based on the most economical means. A justification memo should be included in the TBE Report whenever there are exceptions that require the approval of the

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traveler's Supervisor. It is also imperative for the Travel Program Administrator to review the TBE reports for accuracy, complete documentation, and compliance with the Company policy.

b. Non-Business Expense Not Deducted from Travel and Business Expense (TBE) Report

Criteria: The policy requires that all travel costs incurred for personal reasons shall be settled by the traveler through a check payment or through the TBE form by subtracting the personal cost from any monies due the traveler.

The TBE Report of the same employee at Metro Art and Design mentioned in item a. above included meals for \$41.74 on the date of her return flight to Los Angeles on June 21, 2019. However, this meal was incurred in Copenhagen, Denmark where she proceeded for personal travel after attending the Summit in Stockholm, Sweden.

The employee assumed that this was covered by the policy which states that *“the per diem for the first and last days of foreign travel is 75% of the per diem or actual costs not to exceed 100% of the per diem if the first and/or last days of travel include breakfast, lunch or dinner.”* This policy did not apply to her meals on June 21, 2019 because this was incurred while she was on vacation and was not on official duty anymore. Had she returned to United States after the Summit in Sweden, the last day of her official business travel would have been June 13, 2019 – and all expenses incurred on that day were considered valid travel expenses, including her meals of \$137.78. The employee explained that the TBE was approved by the Travel Program Administrator and she believed then that everything was in order.

The Travel Program Administrator acknowledged that this was a non-business expense and should have been deducted from the TBE Report. The employee eventually paid Metro \$41.74 on March 13, 2020.

c. Late Submission of Travel and Business Expense Report

Criteria: Section 1.2.1 of the Travel & Business Expense Policy (FIN 14) states: *“The TBE Report must be completed, approved and delivered to the Travel Program Administrator within 30 calendar days of the date of returning from travel, or from date of credit card statement.”*

An employee at System Security and Law Enforcement attended a local training from December 3 to December 7, 2018 but did not submit his TBE Report until August 2019 (eight months later). His TBE Report was for mileage reimbursement in the amount of \$287.16.

The employee stated that his supervisors initially advised him that he was not entitled to mileage reimbursement. After consultation with his Union, the issue was resolved and it was determined that he could be reimbursed for mileage. However, it seemed that no one in his department knew how to do the paperwork, and he had to wait for the supervisor and union representatives to learn how to fill out the form.

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It is important that TBE reports are submitted on time, especially if the expense pertains to a different fiscal year as it may negatively impact the budget in the fiscal year the expense was processed. Metro should continue to encourage employees to attend the training on TBE and remind them of Metro's travel policy including to book tickets early, and to ensure employees submit their reports timely and accurately or deny the request.

CONCLUSION

The miscellaneous expenses we reviewed for the period of July 1, 2019 to September 30, 2019 generally complied with policies, were reasonable, and adequately supported by required documents. However, we found that for five of the expenses reviewed, requirements were not followed regarding the compliance with policies on Purchase Cards and travel and business expenses.

RECOMMENDATIONS

We recommend that:

1. The Rail Transit Operations Expo Line Division 14 should ensure that all P-Card transactions are supported with adequate documentation. The Approving Official should require the P-Cardholder to obtain itemized receipts to support all P-Card purchases.
2. The Communications Department should:
 - a. Ensure that P-Card logs are submitted according to P-Card Rules and Guidelines and all information are listed correctly, such as the name of the Business Unit Coordinator.
 - b. Remind staff to book their accommodation as far in advance as possible to take advantage of lowest possible hotel rates and to avoid lodging in excess of the allowable rates. In cases where accommodation in excess of allowable rate cannot be avoided, submit a justification memo approved by the Executive Officer. Encourage staff to attend TBE training.
3. The Office of Extraordinary Innovation should (a) follow up reimbursement from the sponsoring organization, and (b) monitor sponsored travels where Metro advanced the payment for expenses to ensure that the Agency is reimbursed promptly.
4. The System Security and Law Enforcement Department should encourage staff to attend the training on TBE and remind them of Metro's travel policy, and to ensure that employees submit their reports timely and accurately.

5. The General Services – Administration should:
- a. Perform detailed review of Travel and Business Expense (TBE) reports and supporting documents to ensure that reports are accurate, complete, and within applicable policies.
 - b. Coordinate with Information Technology Services to add a feature in the TBE online system where it would automatically alert the traveler to indicate the reason/justification for any exception from the policy and to create a feature to track sponsored travel reimbursement.
 - c. Update TBE policy to include rules and guidelines on sponsored travels.
 - d. Continue to conduct training on FIN 14 to ensure employees are refreshed from time to time for the compliance with Metro travel policies and procedures.

MANAGEMENT COMMENTS TO RECOMMENDATIONS

On April 24, 2020, we provided Metro Management a draft report. The management completed their responses that summarized their corrective actions, as shown in Attachment B.

OIG EVALUATION OF MANAGEMENT RESPONSE

Metro Management’s responses and corrective actions taken are responsive to the findings and recommendations in the report. Therefore, we consider all issues related to the recommendations resolved and closed based on the corrective actions taken.

**Summary of Sampled Expenses Audited
For the Period from July 1, 2019 to September 30, 2019**

<i>Account</i>	<i>Account Description</i>	<i>Total Amount</i>	<i>Sample Amount</i>
50213	Training Program	\$ 37,542	\$ 287
50903	Business Meals	114,258	619
50905	Corporate Membership	54,295	295
50908	Employee Relocation	6,020	0
50910	ER Mileage / Parking	2,946	0
50912	Professional Membership	67,845	851
50914	Schedule Checkers	1,869	0
50915	Seminar and Conference Fee	135,041	4,297
50917	Business Travel	142,339	39,245
50918	Advertising	627,413	143,864
50930	Employee Activities and Recreation	0	0
50999	Other Miscellaneous Expenses	<u>665,113</u>	<u>204,428</u>
	Total	<u>\$1,854,681</u>	<u>\$ 393,886</u>

Management Comments to Draft Report



Metro

Interoffice Memo

Date	May 28, 2020
To	Karen Gorman Inspector General
From	James T. Gallagher  Chief Operations Officer
Subject	Management Response to the Audit of Metro Miscellaneous Expenses (Report # 20- AUD-08)

Operations Management received and reviewed the Audit of Metro Miscellaneous Expenses for transactions processed from July 1-September 30, 2019 in the Rail Transportation department within Operations. The report includes the following recommendation:

1. We recommend that the Rail Transit Operations Expo Line Division 14 should ensure that all P-Card transactions are supported with adequate documentation. The Approving Official should require the P-Card holder to obtain itemized receipts to support all P-Card purchases.

Although Operations personnel was able to provide the necessary back-up documentation to support the \$216 purchase of car wash vouchers for Metro non-revenue vehicles on July 1, 2019, we agree that all P-Card transactions must be supported with adequate documentation at the time that P-card monthly reconciliation reports are submitted to Accounting. Effective immediately, the Sr. EO of Rail Transportation will require that all P-Card holder transactions, including the purchase of car wash vouchers, will be supported by itemized receipts along with the log of Metro staff who are issued vouchers to effectively comply with P-Card program policies.

CC: Yvonne Zheng, Sr. Mgr., Audit
Bernard Jackson, Sr. EO, Rail Transportation
Patricia Alexander, Service Operations Superintendent
Diane Corral-Lopez, EO, Operations Administration
Nancy Alberto-Saravia, Director, Finance & Administration

Management Comments to Draft Report



Metro

Interoffice Memo

Date	June 4, 2020
To	Yvonne Zheng, Senior Manager, Audit Office of Inspector General
From	Yvette Raposo Chief Communications Officer
Subject	Audit of Miscellaneous Expenses - July to September 2019 (20-AUD-08)

OVERVIEW

We have reviewed the results of the subject audit report and concur with the recommendations in the report.

PROPOSED CORRECTIVE ACTIONS

The audit recommends that:

The Communications Department should:

- a. *Ensure that P-Card logs are submitted according to P-Card Rules and Guidelines and all information are listed correctly, such as the name of the Business Unit Coordinator.*
- b. *Remind staff to book their accommodation as far in advance as possible to take advantage of lowest possible hotel rates and to avoid lodging in excess of the allowable rates. In cases where accommodation in excess of allowable rate cannot be avoided, submit a justification memo approved by the Executive Officer. Encourage staff to attend TBE training.*

On the issue of the P-Card, the P-Cardholder inadvertently listed herself as the Business Unit Coordinator. That was resolved and corrected on 02/25/2020. We will review the P-Card Log to avoid similar errors in the future.

Communications agrees with the recommendation, related to travel and shall remind staff to book their accommodations as far in advance as possible, submit justification memos for excess lodging and encourage TBE training attendance.

Management Comments to Draft Report



Metro

Interoffice Memo

Date	June 3, 2020
To	Yvonne Zheng, Senior Manager, Audit Office of Inspector General
From	Joshua L. Schank <i>JLS</i> Chief Innovation Officer
Subject	Employee's Sponsored Travel Expenses not being Reimbursed to Metro after Ten Months of the Event

OVERVIEW

We have reviewed the results of the subject audit report and concur with the recommendation in the report.

PROPOSED CORRECTIVE ACTIONS

The audit recommends that:

1. *The Office of Extraordinary Innovation should (a) follow up reimbursement from the sponsoring organization, and (b) monitor sponsored travels where Metro advanced the payment for expenses to ensure that the Agency is reimbursed promptly.*

Office of Extraordinary Innovation concurs with the recommendations and will implement the following corrective actions:

- OEI will work with the event's coordinator on a written agreement regarding travel expenses (airfare/hotel) and honoraria.
- Once travel arrangements are agreed upon, OEIs will allow the event's coordinator to book the travel arrangements, whereas the fare and hotel expenses are being paid directly from the sponsor and not being paid in advanced by LA Metro's travel budget.
- When there is an agreement for a paid honorarium, the agreement will state to pay Metro directly and not the employee, and the agreement will allow 30 days for honorarium/payment to be paid in full to Metro.
- OEI will act as the tracking device and contact Accounts Payable for the status of the payment, until Accounting has implemented an automated tracking device.

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Employee's Sponsored Travel Expenses
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- If the funds are not received from the event's organization within the 30 days as agreed upon, OEI's analyst would contact the organization's event coordinator to follow-up with any additional information that is needed to complete the banking transaction.

Cc:
Karen Gorman, Inspector General, Office of the Inspector General
Mark Vallianatos, EO, Office of Extraordinary Innovation
Tham Nguyen, Director, Office of Extraordinary Innovation
Colin Peppard, Director, Office of Extraordinary Innovation

Management Comments to Draft Report



Metro

Interoffice Memo

Date	May 14, 2020
To	Yvonne Zheng, Senior Manager, Audit Office of the Inspector General
From	Robert Green, Chief System Security & Law Enforcement Officer 
Subject	Reponse to Draft Report (No. 20-AUD-08): Audit of Metro Miscellaneous Expenses From July 1, 2019 to September 30, 2019

Background

The memo is in response to draft report Audit of Metro Miscellaneous Expenses (Report No. 20-AUD-08). The Office of the Inspector General (OIG) performed an audit of Metro miscellaneous expenses that were processed from July 1, 2019 to September 30, 2019. The sampled transactions reviewed included 48 expenses in which it was determined that the transactions generally complied with Metro policies, were reasonable and adequately supported by required documents. However, the results of the audit found the issues listed below on 5 of the 48 expenses reviewed. The highlighted issue pertains to System Security and Law Enforcement:

- Inadequate documentation of Purchase Card transaction
- P-Cardholder mistakenly listed as Business Unit Coordinator
- Employee's sponsored travel expenses not being reimbursed to Metro after ten months of the event
- **Non-compliance with Travel and Business Expense Policy**

Results of Audit: Late Submission of Travel and Business Expense Report

An employee with System Security and Law Enforcement attended a local training seminar during December 3 to December 7, 2018 but did not turn in their TBE (Travel Business Expense) Report until August 2019. The TBE report was for mileage reimbursement in the amount of \$287.16 and was applied against a different fiscal year.

The interview revealed that the employee originally was misinformed by their supervisor of their eligibility for mileage reimbursement. Once confirmed that the training was eligible both the supervisor and staff did not know how to complete the form.

Management Comments to Draft Report

Recommendation:

OIG recommends that System Security and Law Enforcement Department should encourage staff to attend training on TBE and remind them of Metro's travel policy, and to ensure that employees submit their reports timely and accurately.

Corrective Action:

System Security and Law Enforcement concurs with the recommendation and has implemented the following corrective actions:

- The employee who violated the TBE policy has received the appropriate training
- All Supervisors, Managers, Directors for each functional area should attend TBE training
- All travel requests must be submitted to the Chief of System Security & Law Enforcement *prior* to attending a training/conference etc.
- Upon travel approval by Executive Management (or designee), approved request must be submitted to Finance Manager to track and monitor on-time reporting
- Upon approval, Managers and Directors will require requestor to attend TBE training

cc:

Karen Gorman, Inspector General, Office of the Inspector General

Aston Greene, EO, System Security & Law Enforcement

Ron Dickerson, DEO, System Security & Law Enforcement

Jose Ortiz, Director, Transit Security/System Security & Law Enforcement

Management Comments to Draft Report



Metro

Interoffice Memo

Date	May 29, 2020
To	Yvonne Zheng Office of Inspector General 
From	Steve Jaffe DEO, General Services
Subject	Audit of Metro Miscellaneous Expenses from July 1, 2019 to September 30, 2019 (Report No. 20-AUD-08)

Thank you for the opportunity to respond to the findings and recommendations prior to the final release of the quarterly Audit of Metro Miscellaneous Expenses from July 1, 2019 to September 30, 2019 (Report No. 20-AUD-08).

General Services agrees with all the recommendations on audit report.

Recommendation	Response
1. Perform detailed review of Travel and Business Expense (TBE) reports and supporting documents to ensure that reports are accurate, complete, and within applicable policies.	Travel Program Administrator will continue to follow recommendation and apply to daily review of TBE reports.
2. Coordinate with Information Technology Services to add a feature in the TBE online system to require the traveler to include the reason/justification for any exception from the policy, and a feature to track sponsored travel reimbursement.	General Services will continue to work with ITS to implement changes and add features to the online program in phases throughout FY2021.
3. Update TBE policy to include rules and guidelines on sponsored travels.	Travel Program Administrator will begin work with Accounting in June-2020, to develop a set of rules and guidelines for sponsored travel to be included in FIN14 policy through standard policy review and approval process. Rules and guidelines will also be posted on the Travel Services intranet once approved.
4. Continue to conduct training on FIN 14 to ensure employees are refreshed from time to time for the compliance with Metro travel policies and procedures.	Travel Program Administrator will continue monthly training on Metro's TA/TBE Electronic System, including transition to live remote platform, such as Microsoft Teams. This training will continue to provide a refresher on FIN 14 travel policies and procedures. The next scheduled class is June 16, 2020.

cc: Joanne Peterson, Chief Human Capital and Development Officer
Yolanda Limon, Interim Sr. Manager, Facilities Maintenance
Maria Conchita Banuelos, Travel Program Administrator

Final Report Distribution

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Metro

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