

Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General

**Audit of Miscellaneous Expenses for the
Period July 1, 2009 to September 30, 2009**

Report No. 10-AUD-10

April 28, 2010





Metro

**Los Angeles County
Metropolitan Transportation Authority**

Office of the Inspector General
818 West 7th Street, Suite 500
Los Angeles, CA 90017

213.244.7300 Tel
213.244.7343 Fax

DATE: April 28, 2010

TO: Board of Directors
Chief Executive Officer

FROM: *Jack Shigetomi*
Jack Shigetomi
Deputy Inspector General - Audits

SUBJECT: **Audit of Miscellaneous Expenses for the Period
July 1, 2009 to September 30, 2009 (Report No. 10-AUD-10)**

INTRODUCTION

This report covers the period July 1, 2009 to September 30, 2009. Our Audit of Miscellaneous Expenses was performed pursuant to Public Utilities Code (PUC), Section 130051. The Section requires that the Inspector General report quarterly to the Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors on certain miscellaneous expenses such as travel, meals and refreshments, private club dues, and membership fees.

OBJECTIVES AND SCOPE OF AUDIT

The objectives of the audit were to determine whether sampled expenses were:

- ▲ Reasonable and in accordance with policies.
- ▲ Adequately supported with receipts, proper approvals, and other appropriate documentation.

The audit included review of six general ledger expense accounts such as training, business meals, seminar and conference fees, business travel, employee activities, and other miscellaneous expenses. For these six accounts, expenditures totaled \$548,363 during July 1, 2009 through September 30, 2009 after excluding transactions that were \$200 or less, adjustments, and credits. We statistically selected 44 expenditures totaling \$127,738 for review, see Attachment A for details. The statistical sampling procedures we applied resulted in no transactions being selected for accounts Mileage/Parking and Schedule Checkers for this review.

The audit was conducted in accordance with Government Auditing Standards and included such tests of the procedures and records, as we considered necessary under the circumstances. During the audit, we did not test the reliability and accuracy of the Financial Information System, which processed the transactions we reviewed. Our conclusions are based on the audit results of the transactions reviewed during this audit.

RESULTS OF AUDIT

The expenses we reviewed for the period July 1, 2009 through September 30, 2009 generally complied with policies, were reasonable, and were adequately supported. The audit did not identify any reportable conditions.

Summary of Expenses Reviewed
For the Period July 1, 2009 to September 30, 2009

Account	Account Description	Total Amount	Sample Amount
50213	Training Program	\$5,272	\$385
50903	Business Meals	6,737	2,481
50915	Seminar and Conference Fee	37,752	21,742
50917	Business Travel	91,574	12,303
50930	Employee Activities	54,877	45,700
50999	Other Miscellaneous Expenses	<u>352,151</u>	<u>45,127</u>
	Totals	<u>\$548,363</u>	<u>\$127,738</u>

Final Report Distribution

Board of Directors

Michael D. Antonovich
Diane DuBios
John Fasana
José Huizar
Richard Katz
Don Knabe
Gloria Molina
Ara Najarian
Pam O' Connor
Rita Robinson
Mark Ridley-Thomas
Antonio R. Villaraigosa
Zev Yaroslavsky

Metro

Chief Executive Office
Deputy Chief Executive Officer
Chief Ethics Officer/Acting Inspector General
Board Secretary
Chief Financial Services Officer
Controller
Director of Accounting, Accounting Services
Accounting Manager, Accounts Payable
Chief Auditor
Records Management