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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
AUGUST 18, 2005**

**SUBJECT: MANAGEMENT AUDIT SERVICES YEAR-END REPORT**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file the year-end report of Management Audit Services for the period ending June 30, 2005.

**ISSUE**

At its January 2005 meeting, the Board designated the Executive Management and Audit Committee (EMAC) as their audit committee. The EMAC requested a quarterly report from Management Audit Services on its audit activities. A third quarter report was issued in May 2005, and this annual report fulfills the requirement for the fourth quarter.

**DISCUSSION**

Management Audit Services (MAS) provides audit support to the Chief Executive Officer (CEO) and his executive management. MAS provides audit services both internally reviewing agency processes, functions and systems, as well as externally reviewing compliance to contracts and memorandums of understanding (MOUs).

There are currently four audit groups in MAS, contract audit, grant audit, internal audit, and information technology audit. Contract Audit audits contractor's proposals/claims to support the Office of Procurement and Material Management. Grant Audit audits compliance to MOUs for projects funded by the Call-for-Projects to support Countywide Planning and Development. Internal Audit currently performs two functions, internal audit and control self-assessment projects. At the beginning of FY06, Internal Audit will be split into two groups, Operational Audit and Financial Audit. Information Technology Audit Group audits the information technology (IT) systems, infrastructure, IT programs and activities.

The year-end report for FY05 is more comprehensive than the quarterly reports. It includes a summary of MAS' audit activity, a discussion of changes and lessons learned for the year as well as a look at what is planned for FY06.

FY05 was a year of many changes within MAS. Organizationally the department was flattened and now reports directly to the CEO. In addition, technological changes were implemented with the upgrade of data-analysis software, ACL, and implementation of audit management software, TeamMate. Auditors using ACL software can quickly and efficiently evaluate all of the information in applicable databases rather than manually sample the

information. TeamMate is highlighted in the year-end report because of its capabilities and potential to streamline a manual paper intensive audit process.

With the advent of paperless audit software, MAS has been reviewing its audit process to introduce efficiencies wherever possible and to take full advantage of TeamMate's capabilities. These changes will become effective with new audits starting in FY06. The audit follow-up process was also reviewed and a more proactive process was implemented. Approximately 70% of the audit recommendations closed in FY05 were closed after the new follow-up process was implemented.

In addition, the Board adopted Financial Standards for FY06 have changed the way MAS does business. The Board has approved MAS' annual audit plan for the first time. An agency-wide risk assessment is being outsourced in FY06 and the report will be presented to the Board prior to the adoption of the FY07 annual audit plan. Final internal audit reports will be sent to the Board members as they are completed and also summarized in MAS's quarterly reports.

The summary of MAS audit activity for the fiscal year ending June 30, 2005 is as follows:

**Contract Audit** – 94 audits were completed reviewing \$141.4 million and questioning \$9.3 million. Audits that were negotiated during the year resulted in \$2.7 million savings to the agency.

**Grant Audit** – 48 audits were completed reviewing \$50 million and identifying \$2.2 million of unspent funds that can be reprogrammed through the Call for Projects.

**Internal Audit and Information Technology Audit** – six audits were completed and final reports issued as of June 30, 2005. These include audits for the Chief Financial Officer, the Deputy Chief Executive Officer, and for the Chief Executive Officer.

**Contractor Pre-Qualification** – 465 applications and validations were processed and approved during FY05. Two firms were denied pre-qualification, and one hearing has been held to date where the Pre-Qualification review committee upheld the denial. The other appeal hearing is on hold until a separate administrative proceeding is resolved.

**Audit Follow-up and Resolution** – 59 open findings for internal and external audits were completed since the implementation of the new process. In FY05, 56% of all outstanding audit recommendations were closed.

MAS' year-end report is included as Attachment A.

## **NEXT STEPS**

Management Audit Services will provide a first quarter summary of FY 2006 audit activity to the Board at the November 2005 Executive Management and Audit Committee meeting.

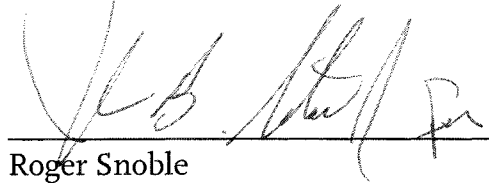
ATTACHMENT

A. Quarterly Report on Management Audit Services activity for period ending March 31, 2005.

Prepared by: Ruthe Holden, Managing Director, MAS



Ruthe Holden  
Managing Director, Management Audit Services



Roger Snoble  
Chief Executive Officer

Los Angeles County Metropolitan Transportation Authority

**MANAGEMENT AUDIT SERVICES  
ANNUAL REPORT TO THE BOARD**

**YEAR-END  
FY 2005**



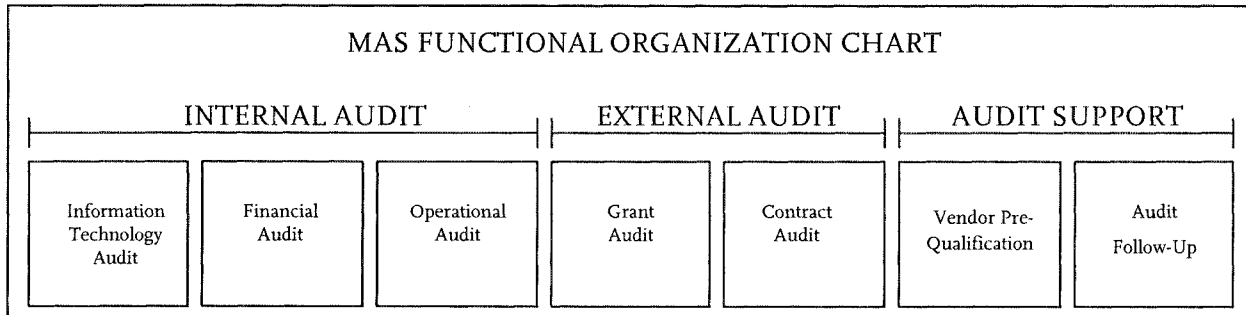
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# EXECUTIVE SUMMARY

Fiscal Year (FY) 2005 was a year of many changes for Management Audit Services' (MAS) department. MAS' reporting structure changed from reporting to the Chief Executive Officer (CEO) for audit issues and to the Chief Financial Officer for administrative purposes, to reporting directly to the CEO. In addition, MAS' organizational structure was flattened and staff was shifted to better support the CEO's priorities.



Overall for FY05 MAS issued 146 audit reports, including 94 in Contract Audit unit, 48 in Grant Audit unit, 3 in Internal Audit unit, and 1 in Information Technology (IT) unit. Details of the audits are discussed in each of the individual audit sections.

As well as completing audits, MAS has focused on changing the way it does business during the last six months. Auditing is a paper intensive process. In order to complete our mission with the resources available, the audit process is being reviewed and streamlined. In addition, new software is being implemented and existing technology tools have been upgraded.

PricewaterhouseCooper's (PWC) TeamMate audit workpaper software was purchased to standardize and simplify the auditing process. Implementation of the software began in June and all in-process audits have been transitioned to the TeamMate software. Because of the tremendous value this system will add to MAS' audit process, TeamMate will be highlighted in this report

MAS has also upgraded its ACL software licenses. ACL provides data analysis technology, which will allow the auditor to review 100% of the transactions more quickly than the manual sampling process that was routinely used in the past. This will streamline transaction testing and analysis, allow auditors to more easily detect errors and evaluate anomalies in the information.

The audit follow-up and resolution process was also reviewed and changed this fiscal year. The new process is more proactive and overdue audit recommendations are escalated to senior management. 70% of all open recommendations closed in FY05 were closed after the new process was implemented.

## EXECUTIVE SUMMARY

The Board adopted FY06 Financial Standards have also changed the way MAS does business. In April the Board approved MAS' FY06 audit plan for the first time. In addition, MAS is managing the first formal agency-wide risk assessment project. The competitive procurement has been completed and KPMG, LLP was selected and will start work in August 2005. The final Risk Assessment report will be presented to the Board early in 2006 and incorporated into the FY07 annual audit plan. All final internal audit reports will be sent to the Board members and also summarized in MAS' quarterly report to the Board.

### Highlight of the Quarter: Implementation of TeamMate

Each quarter as part of MAS' report on the activities of its unit, a group or a significant process is highlighted and discussed in detail.

Over the last six months, MAS has been reviewing its processes and exploring ways to streamline the way it does business. MAS talked to other audit groups across the country to discuss best practices in auditing. The more advanced audit shops recommended audit workpaper software as a way to quickly make significant improvements in the process. Several different software packages were reviewed and in May, after a competitive procurement, MAS selected PWC's software TeamMate. The software was implemented in June and in-process audits have been transitioned onto the software.

TeamMate is an audit management system that will enable MAS to move towards a paperless environment. TeamMate consists of 5 key components: (1) TeamRisk – Risk Assessment Tool, (2) TeamMate EWP – Electronic Working Paper Documentation System, (3) TeamSchedule – A comprehensive tool for scheduling staff and audits, (4) TeamStore – Best Practice Knowledge Base including comprehensive Work Programs, and (5) TeamCentral – Web based Global Issues Tracking and Reporting Database. All of these modules are fully integrated and will help standardize the audit process ensuring a consistent application of audit standards and organizational practices.

Many of TeamMate's features will streamline the audit process. Information collected through the audit is incorporated into the report using a mail merge function. The audit review process is simplified and can be done consecutively as fieldwork is completed rather than waiting until the audit is done. Recommendations and follow-up actions from completed audits are stored in a central database that consolidates information critical to the follow-up efforts. In addition, all audits and audit resources are now managed from a central scheduling system, which will provide more flexibility in shifting resources to higher priority projects as well as managing audits to meet agency needs and deadlines.

This software will help MAS manage its resources and ensure we meet the CEO's strategic vision and goals.

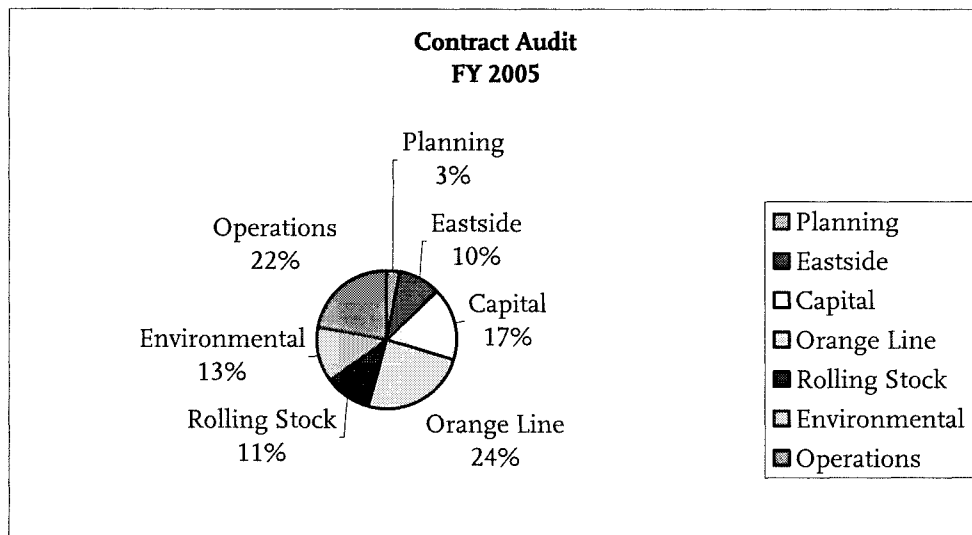
# CONTRACT AUDIT

Contract Audit provides support to the Office of Procurement and Material Management for a wide range of large-dollar procurements and projects in the area of financial and contract compliance. This support is given throughout the procurement cycle in the form of pre-award, interim, change order, and closeout audits.

Contract Audit has completed 94 audits during FY05, reviewing \$141,436,035 and questioning a total of \$9,355,771. Twenty-eight of these completed audits were for the Metro Orange Line project. Change orders for the Metro Orange Line project totaling \$13,319,273 were reviewed, resulting in 21% of the proposed cost questioned. Contract Audit also notified the Contract Administrator that 4% of the proposed cost did not have adequate supporting documentation.

For all negotiations that were completed during FY05 (including open audit findings from prior quarters) Contract Administrators were able to save \$2,694,887 based on questioned costs from audit reports, which results in a sustention rate of 43.73%.

The audit coverage for the Contract Audit group is reflected in the chart below:



The details on Contract Audits completed in FY05 are in Appendix A.

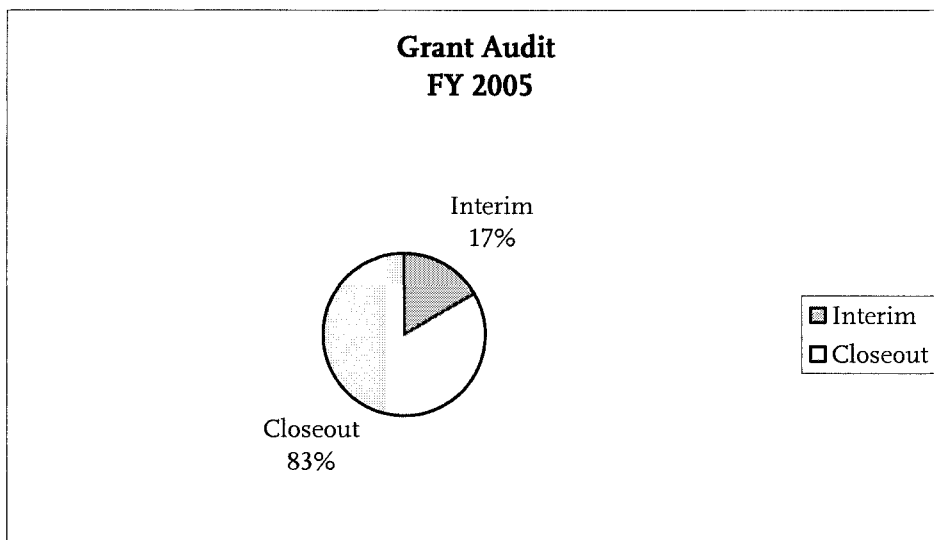


# GRANT AUDIT

Grant Audit provides audit support to Countywide Planning and Development (Planning) and is responsible for determining whether funds provided through the Call-for-Project program are expended in accordance with the terms of the Memorandum of Understanding and applicable cost standards. The group also identifies whether any funds remain at project completion that may be reprogrammed by Planning for additional transportation improvement projects.

During the year, Grant Audit completed 48 audits. Total funding audited was in excess of \$50 million. The audits identified \$2,235,474 of unspent funds that Planning is able to reprogram and \$191,643 of questioned cost that is being resolved. As of June 30, 2005, 31 grant audits are in process with a total value in excess of \$82 million.

The following chart identifies the amount of effort expended on the two different types of Grant Audits, interim and closeout:



The details on Grant Audits completed in FY05 are in Appendix B.

# INTERNAL AUDIT

Internal Audit provides support to the Chief Executive Officer and his management team. The types of audits completed in this group are Compliance reviews, Internal Control reviews, Effectiveness and Efficiency audits, and Program Effectiveness and Results audits. In FY06, Internal Audit has been split into two different groups, Operational Audit and Financial Audit.

During the reporting period, three final Internal Audit reports were issued and are summarized below.

### *Audit of Gateway Cities Service Sector Maintenance Timekeeping Procedures*

This audit was completed based on a request by Operations management in the Gateway Service Sector. The purpose of the audit was to review the payroll process for the Maintenance Manpower Accounting System (MMAS) at the Gateway Service Sector because management was concerned about the number of payroll exceptions and errors requiring correction by the timekeepers.

The audit report noted two findings. 1) Daily Activity Reports that substantiate the changes and corrections to the Sector's authorized payroll were either not always on file or not always properly authorized. As a result the Sector does not always have approved records substantiating the adjustments made to their payroll. MAS recommended that payroll reports be reviewed and signed by supervisors and maintained in a binder. 2) Excessive payroll interface errors and exceptions are generally caused by the same employees each payroll period. MAS recommended that Division Maintenance Managers provide training to individuals with repeated errors and General Clerks record the deviations into MMAS work schedules to reduce future exceptions.

The Division Maintenance Managers concurred with MAS' recommendations and took appropriate action.

### *Audit of Central Cash Counting Operation*

This audit was completed at the request of management because of an attempted theft and an increase in the volume of higher denomination currency. The purpose of the audit was to determine whether controls and security procedures at the central cash-counting office were adequate.

MAS found that the controls over this operation, which processes almost \$450,000 in cash, coins and tokens daily, were generally found to be adequate. MAS recommended improving 1) Security personnel should pay more attention to the video monitors; 2) Building alarm system should be tested periodically; 3) Variance reporting should be improved; and 4) Upgrading and maintaining the closed circuit television monitoring equipment.

# INTERNAL AUDIT

Management concurred and has completed the first three of the recommendations. The closed circuit televisions recommendation is on-hold pending approval of budget money for the equipment upgrades.

## Audit of Noncompetitive Purchase Orders

As a recipient of federal funding, Federal Transit Administration (FTA) conducts a triennial Procurement System Review (PSR). The purpose of this review is to determine whether LACMTA is complying with FTA procurement requirements. After the release of the 2001 FTA PSR report, Procurement actively reviewed and improved the procurement processes.

During FY05, MAS completed an audit of non-competitive purchase orders. This audit was included in a prior year annual audit plan. The purpose of this audit was to determine whether adequate controls have been established for non-competitive procurements.

As a result of the audit, MAS noted that some of the deficiencies identified in the 2001 FTA review still exist and that controls need to be strengthened over both procurement files and the documentation contained in the files. We also noted that management is not monitoring the number of non-competitive procurements.

MAS recommended that Procurement 1) establish procedures for setting up, maintaining, and tracking procurement files, 2) train buyers on required documentation for procurement files and 3) monitor the number of non-competitive procurements. Management concurred with the first two recommendations and promptly took appropriate corrective action. Management did not concur with our recommendation for monitoring non-competitive procurements since non-competitive procurements over \$200,000 require Board approval. The resource cost for monitoring small dollar non-competitive procurements was not justified by the low risk associated with those procurements.

Subsequent to the issuance of MAS' non-competitive audit report, FTA completed a PSR in June 2005. At the exit conference, FTA's representatives indicated that LACMTA's Procurement department was substantively in compliance with all of FTA's requirements.

## Completed Control Self Assessments

The Control Self Assessment (CSA) group achieved their FY05 goal and completed six more business units. In addition, existing documentation was updated to conform to current organizational changes. The Chief Planning Officer has already signed one of these documents, and the other five are in various stages of review and signature. These include two documents in Planning areas, and one each for Pension and Benefits, Workers Compensation Claims, and Bus Transportation Division 1.

# INFORMATION TECHNOLOGY AUDIT

Information Technology (IT) Audit also provides support to the CEO and his executive management. IT audit focuses on the technology systems and infrastructure that process data for the agency's key business areas. The types of audits completed in this group are similar to Internal Audit and include Compliance reviews, Internal Control reviews, and some Program Effectiveness and Results audits.

In FY05, one final IT Audit report was issued, the audit of the Disaster Recovery Plan Test. During the reporting period, IT Audit also issued two interim status reports on the implementation of the Material Management and Maintenance system (M3).

At the request of the CEO, in FY05 MAS completed a competitive procurement and outsourced an audit of the M3 system to Thompson, Cobb, Bazilio and Associates (TCBA). The purpose of this audit is to 1) complete a comprehensive review of the system requirements, 2) review the adequacy of the internal controls and M3 interfaces, 3) review the contractor's and LACMTA's management of the project, 4) identify the current status of the project by function, 5) determine the adequacy of system testing and 6) review internal charges to the project. Because the scope of this audit is a comprehensive review of the M3 system implementation, this IT audit report will supercede all four interim status reports previously issued by MAS in FY04 and FY05. The TCBA audit will be completed mid-year FY06 and the results of the audit will be presented to the Board. IT Audit also provided staffing support during FY05 for the TCBA audit.

The IT Audit completed report is summarized below:

### *Audit of the Disaster Recovery Plan (DRP) Test*

This is a cyclical audit that is completed annually and was included in the annual audit plan. The purpose of the audit was to determine the adequacy and effectiveness of the disaster recovery testing process.

Overall, MAS noted that the disaster recovery testing was successful, and the IT DRP plan was adequate and effective. MAS provided some recommended improvements IT could incorporate in future DRP testing. MAS also noted that the business continuity plan, which is LACMTA management's responsibility, has not yet been fully tested.

# AUDIT SUPPORT SERVICES

## Contractor Pre-Qualification

California Public Utilities Code §130051.21 and Ordinance #4-05 of the Administrative Code require firms to be pre-qualified prior to doing business with the agency.

During FY05, 347 applications and 141 validations were submitted, and 11 applications and validations were in process from the fourth quarter of FY04. Of the 499 applications and validations, 465 firms were approved to do business with LACMTA, 23 were closed as incomplete (applicants failed to respond to requests for information), two were denied, and nine applications and validations were still in process as of June 30. As discussed in the 3<sup>rd</sup> quarter 2005 report, an appeal hearing was held for the one firm that was denied, and the review committee upheld the denial. The other appeal hearing is on hold until a separate administrative proceeding is resolved.

The average processing time was 14 days for applications and 4 days for validations.

## Audit Follow-Up and Resolution

Audit Follow-Up and Resolution has continued to aggressively pursue information, which demonstrates the implementation of audit recommendations so that open findings can be closed. During the fourth quarter of FY05, 21 additional recommendations were completed and closed. This represents a 23% reduction in the total outstanding findings for the 4<sup>th</sup> quarter. Overall, 56% of all open recommendations were closed during FY05.

Per Board direction, MAS issues a monthly board box to the Board on all open audit findings. MAS has issued board boxes for the periods ending March 31, April 30, and May 31, 2005, and will be issuing one for the period ending June 30, 2005 shortly. Following is a table summarizing the activity during the fourth quarter of FY 2005:

**Summary of Internal, IT and External Audit Recommendations  
As of June 30, 2005**

Executive Area	Closed or Completed in June	Closed or Completed in May	Closed or Completed in April	Under Review	Extended	Not Yet Due	Total Open Recom.
Chief Capital Mgmt. Officer			2				
Chief Financial Officer	7	3	1	9	16	4	29
Chief Planning Officer				1			1
Chief of Staff	2			10			10
DCEO/COO	2	1	3	15	14		29
Totals	11	4	6	35	30	4	69

## Appendix A

## Contract Audit FY 05 Completed Audits

Area	Audit Number & Type	Contractor	Contract	Requirement	Date Completed
Eastside	S-001-05 - Final/Ind. Cost Rate	Electrical Building Systems, Inc.	PS-4310-0964	Contractual	Jun-05
Operations	05CA-F29 - Pre-Award	U.S. Tow, Inc.	FSP05-BR1647	Policy	Jun-05
Eastside	05CA-V32-00 - Independent Cost Estimate	Eastside LRT Constructors	C0803	Legal	Jun-05
Operations	05CA-F26-00 - Pre-Award	N/S Corporation	C0769	Policy	Jun-05
Operations	05CA-F22-00 - Pre-Award	Los Angeles County Sheriff's Dept.	TCP2610LASD1	Policy	May-05
Operations	05CA-V23-00 - Independent Cost Estimate	AMTEK Construction	C0756	Legal	May-05
Rolling Stock	K-005-05F - Closeout	D'Leon Consulting Services	E0350	Contractual	May-05
Planning	F-003-05F - Pre-Award	Jones & Stokes Associates	PS-4320-1324	Policy	May-05
Orange Line	05CA-G21-00 - Independent Cost Estimate	Shimmick/Obayashi, JV	C0675	Legal	May-05
Operations	05CA-G06-00 - Change	Cubic Transportation Systems, Inc.	OP-02-4610-10	Legal	May-05
Environmental	S-004-05F - Pre-Award	TRC Solutions, Inc.	EN073	Policy	May-05
Operations	J-001-05F - Interim/Costs Incurred	Booz Allen & Hamilton	PS-4610-1026	Contractual	May-05
Planning	05CA-F20-00 - Cost Proposal	Wilbur Smith Associates	PS-4310-1268	Policy	May-05
Orange Line	05CA-G16-00 - Agreed-Upon Procedures	STV, Inc.	PS-4350-0972	Contractual	May-05
Operations	S-002-05F - Agreed-Upon Procedures	Eigertech Systems	PS-4610-1026	Contractual	Apr-05
Orange Line	05CA-V19-00 - Independent Cost Estimate	Shimmick/Obayashi, JV	C0675	Legal	Apr-05
Eastside	05CA-G07-00 - Change	Eastside LRT Partners	PS-4310-0964	Legal	Apr-05
Eastside	05CA-V11-00 - Independent Cost Estimate	Eastside LRT Constructors	C0803	Legal	Apr-05

## Appendix A

## Contract Audit FY 05 Completed Audits

Area	Audit Number & Type	Contractor	Contract	Requirement	Date Completed
Operations	05CA-G-023-5F - Modification	Cubic Transportation Systems, Inc.	OP-02-4610-10	Policy	Apr-05
Environmental	05CA-G-04-00 - Modification	CH2M Hill Constructors	EN069	Policy	Mar-05
Rolling Stock	K-002-05FS1 - Closeout	LTK Engineering Services	E0001	Contractual	Mar-05
Rolling Stock	K-004-05-05F - Closeout	Virginkar and Associates	E0350	Contractual	Mar-05
Operations	05CA-G05-00 - Modification	Cubic Transportation Systems, Inc.	OP-02-4610-10	Policy	Mar-05
Orange Line	G-024-05F - Change	LACMTA Est. Unit - Shimmick/Obayashi, JV	C0675	Legal	Mar-05
Operations	G-020-05F - Modification	Cubic Transportation Systems, Inc.	OP-02-4610-10	Policy	Mar-05
Operations	G-018-05F - Modification	Cubic Transportation Systems, Inc.	OP-02-4610-10	Policy	Mar-05
Rolling Stock	I-001-05F - Interim/Costs Incurred	Siemens Transportation Systems, Inc.	P2000	Contractual	Mar-05
Orange Line	G-015-05F - Change	Shimmick/Obayashi, JV	C0675	Legal	Feb-05
Orange Line	G-019-05F - Change	Shimmick/Obayashi, JV	C0675	Legal	Feb-05
Orange Line	G-022-05F - Change	Shimmick/Obayashi, JV	C0675	Legal	Feb-05
Environmental	I-007-05F - Interim/Costs Incurred	CH2M Hill Constructors	EN069	Contractual	Feb-05
Environmental	I-009-05F - Interim/Costs Incurred	CH2M Hill Constructors	EN069	Contractual	Feb-05
Orange Line	G-011-05F - Change	Washington Group International	C0675	Legal	Feb-05

## Appendix A

## Contract Audit FY 05 Completed Audits

Area	Audit Number & Type	Contractor	Contract	Requirement	Date Completed
Environmental	I-008-05F - Interim/Costs Incurred	CH2M Hill Constructors	EN069	Contractual	Feb-05
Rolling Stock	I-006-05F - Interim/Costs Incurred	North American Bus Industries, Inc.	OP-33200634	Contractual	Feb-05
Planning	F-002-05F - Pre-Award	PBF, Div. Of PBQD, Inc.	PS-4360-1580	Policy	Jan-05
Environmental	I-004-05F - Interim/Costs Incurred	MACTEC Engineering & Consulting	EN068	Contractual	Dec-04
Environmental	I-003-05F - Interim/Costs Incurred	CH2M Hill Constructors	EN069	Contractual	Dec-04
Orange Line	G-009-05F - Change	Shimmick/Obayashi, JV	C0675	Legal	Dec-04
Orange Line	G-012-05F - Change	Shimmick/Obayashi, JV	C0675	Legal	Dec-04
Eastside	L-003-05F - Forward Pricing Rate Review	DMJM+Harris	C0803	Policy	Dec-04
Orange Line	CCS-J-006-04F - Interim/Costs Incurred	Booz Allen & Hamilton	PS-4350-0972	Contractual	Dec-04
Environmental	F-001-05F - Pre-Award Audit	TRC Solutions, Inc.	EN073	Policy	Dec-04
Capital	CCS-R-014-03F - Review of Final Invoices	Lee Andrews Group, Inc.	JMA/MC047	Contractual	Nov-04
Operations	G-010-05F - Change	Cubic Transportation Systems, Inc.	OP-02-4610-10	Policy	Nov-04
Orange Line	J-001-04F - Interim/Costs Incurred	Korve Engineering, Inc.	PS-4350-0972	Contractual	Nov-04
Orange Line	G-006-05F - Change/Incurred Cost	Shimmick/Obayashi, JV	C0675	Legal	Nov-04
Eastside	S-007-04F - Revised/Ind. Cost Rate	Electrical Building Systems, Inc.	PS-4310-0964	Contractual	Nov-04
Capital	CCS-R-016-03F - Review of Final Invoices	JMA, a Joint Venture	MC047	Contractual	Nov-04
Environmental	K-005-04F - Closeout	Parsons Engineering Science, Inc.	EN025	Contractual	Nov-04
Orange Line	G-007-05F - Change	Shimmick/Obayashi, JV	C0675	Legal	Nov-04



## Appendix A

## Contract Audit FY 05 Completed Audits

Area	Audit Number & Type	Contractor	Contract	Requirement	Date Completed
Operations	I-002-05M - Limited Review/Credit	Booz Allen & Hamilton	PS-4610-1026	Policy	Oct-04
Orange Line	G-005-05F - Change	Shimmick/Obayashi, JV	C0675	Legal	Oct-04
Operations	G-008-05F - Modification/Credit	Cubic Transportation Systems, Inc.	OP-02-4610-10	Policy	Oct-04
Capital	CCS-S-021-03F - Final/Ind. Cost Rate	Lee Andrews Group, Inc.	JMA/MC047	Contractual	Oct-04
Capital	J-016-99F - Incurred Costs	Sverdrup Civil, Inc.	JMA/MC047	Contractual	Oct-04
Capital	CCS-S-020-03F - Final/Ind. Cost Rate	Lee Andrews Group, Inc.	JMA/MC047	Contractual	Oct-04
Orange Line	G-020-04F - Change/Incurred Cost	Shimmick/Obayashi, JV	C0675	Legal	Oct-04
Eastside	L-002-05F - Forward Pricing Rate Review	Steiny/Balfour Beatty, JV	C0803	Legal	Oct-04
Eastside	CCS-R-005-04F - Interim/Costs Incurred	Barrio Planners, Inc.	PS-4310-0964	Contractual	Oct-04
Orange Line	G-036-04FS1 - Change	Shimmick/Obayashi, JV	C0675	Legal	Oct-04
Orange Line	G-016-04F - Change	Shimmick/Obayashi, JV	C0675	Legal	Oct-04
Eastside	L-001-05F - Forward Pricing Rate Review	Eastside LRT Constructors	C0803	Policy	Oct-04
Capital	CCS-S-001-04F - Final/Ind. Cost Rate	LKG-CMC, Inc.	CM001	Contractual	Oct-04
Capital	CCS-S-002-04F - Final/Ind. Cost Rate	LKG-CMC, Inc.	CM001	Contractual	Oct-04
Capital	CCS-R-001-04F - Review of Final Invoices	LKG-CMC, Inc.	CM001	Contractual	Oct-04
Capital	CCS-R-033-03F - Review of Final Invoices	Aegir Systems (sub to LKG-CMC)	CM001	Contractual	Oct-04
Rolling Stock	K-002-05F - Closeout	LTK Engineering Services	E0001	Contractual	Oct-04
Rolling Stock	K-006-05F - Closeout	LTK Engineering Services	E0350	Contractual	Oct-04

## Appendix A

## Contract Audit FY 05 Completed Audits

Area	Audit Number & Type	Contractor	Contract	Requirement	Date Completed
Environmental Capital	I-002-04F - Other/Task Order	CH2M Hill Constructors	EN069	Policy	Oct-04
	CCS-R-025-03F - Review of Final Invoices	STV, Inc.	JMA/MC047	Contractual	Oct-04
Operations	K-003-05F - Closeout	URS Construction Services	MC058	Contractual	Oct-04
Environmental	J-003-04F - Incurred/Task Order	CH2M Hill Constructors	EN069	Policy	Sep-04
Environmental	G-003-05F - Modification/Task Order	CH2M Hill Constructors	EN069	Policy	Sep-04
Orange Line	CCS-J-005-04F - Interim/Costs Incurred	J.L. Patterson & Associates, Inc.	PS-4350-0972	Contractual	Sep-04
Capital	CCS-R-017-03F - Review of Final Invoices	ACG Environments	JMA/MC047	Contractual	Sep-04
Rolling Stock	CCS-R-034-03F - Review of Final Invoices	LTK Engineering Services	E0090	Contractual	Aug-04
Capital	CCS-R-022-03F - Review of Final Invoices	CRSS Constructors, Inc.	MC020	Contractual	Aug-04
Operations	G-004-05F - Modification	Spear Technologies, Inc.	PS-9240-1264	Policy	Aug-04
Capital	K-001-05F - Closeout	Inca Engineers, Inc.	E0112	Contractual	Aug-04
Rolling Stock	S041-03F - Final/Ind. Cost Rate	LTK Engineering Services	E0090	Contractual	Aug-04
Rolling Stock	S-013-04F - Final/Ind. Cost Rate	LTK Engineering Services	E0090	Contractual	Aug-04
Operations	G-002-05F- Modification	Spear Technologies, Inc.	PS-9240-1264	Policy	Aug-04
Orange Line	G-001-05F - Change	STV, Inc.	PS-4350-0972	Legal	Aug-04
Operations	G-034-04F - Modification	Spear Technologies, Inc.	PS-9240-1264	Policy	Jul-04
Orange Line	G-038-04F - Change	Shimmick/Obayashi, JV	C0675	Legal	Jul-04
Orange Line	N-001-05F - Claim/Labor Rate	Shimmick/Obayashi, JV	C0675	Legal	Jul-04

## Appendix A

## Contract Audit FY 05 Completed Audits

Area	Audit Number & Type	Contractor	Contract	Requirement	Date Completed
Orange Line	G-036-04F - Change	Shimmick/Obayashi, JV	C0675	Legal	Jul-04
Operations	G-026-04M - Change	Robnett Electric, Inc.	OP-3346-0642	Legal	Jul-04
Operations	G-032-04M - Modification	Spear Technologies, Inc.	PS-9240-1264	Policy	Jul-04
Operations	G-024-04F - Change	Union Switch & Signal	H1100	Legal	Jul-04
Capital	CCS-S-023-03F - Final/Ind. Cost Rate	ACG Environments	JMA/MC047	Contractual	Jul-04
Capital	CCS-S-024-03F - Final/Ind. Cost Rate	ACG Environments	JMA/MC047	Contractual	Jul-04
Capital	CCSR-023-03F - Review of Final Invoices	Sverdrup Civil, Inc.	MC055	Contractual	Jul-04

## Appendix B

## Grant Audit FY 05 Completed Audits

Area	Audit Number & Type	Memorandum of Understanding	MOU Number	Requirement	Date Completed
Planning	05CA-Y10 - Interim	Pedestrian Linkage between Metro Red Lind and Grand Central Market	150-CM-1-44-93	Contractual	Jun-05
Planning	B-036-04 - Closeout	Arroyo Verdugo ATSAC Interface	478-246-6-29-25	Contractual	Jun-05
Planning	B-025-05 - Closeout	Central/East L.A. Bus Speed Improvement Project	P0002113	Contractual	Jun-05
Planning	05GA-K30 - Closeout	Bus Shelter Construction -- Countywide Bus Stop Improvement Program	P0008416	Contractual	Jun-05
Planning	B-033-05 - Closeout	La Cienega Blvd. between Third St. and San Vicente Blvd	P0004248	Contractual	Jun-05
Planning	B-035-05 - Closeout	Sepulveda Blvd/State Hwy Rt 1 Widen Between 22nd & Grand Ave	P0004320	Contractual	Jun-05
Planning	05CA-K02 - Closeout	Van Nuys Blvd Transit Priority Treatment	485-246-6-50-95	Contractual	Jun-05
Planning	05CA-K01 - Closeout	Major Line Bus On-Time Performance Improvement Program	P0004231	Contractual	Jun-05
Planning	B-018-05 - Interim	Design of I-10 HOV lane from Rte 57 to San Bernardino County Line-(07H004)	41-246-3-90-93	Contractual	Jun-05
Planning	B-029-05 - Closeout	Trip Information Electronic Kiosk at Transit Centers	P0004068	Contractual	May-05
Planning	B-005-05 - Closeout	West Adams ATSAC	437-246-5-50-95	Contractual	May-05

## Appendix B

## Grant Audit FY 05 Completed Audits

Area	Audit Number & Type	Memorandum of Understanding	MOU Number	Requirement	Date Completed
Planning	B-021-04 - Interim	Alameda Corridor East -- Terry A. Hayes Associates	P0004367	Contractual	May-05
Planning	B-017-05 - Closeout	Westside Bus Speed Improvement Project	P0002104	Contractual	Apr-05
Planning	B-036-05 - Closeout	Los Angeles County Regional Rideshare Program	RPL 6065 (082)	Contractual	Apr-05
Planning	B-072-01 - Closeout	Land Use and Economic Strategies for Transit	480-246-3-92-95	Contractual	Apr-05
Planning	B-039-04 - Interim	Real Time Transit Technical	P0004012	Contractual	Mar-05
Planning	B-013-05 - Interim	Alameda Corridor East -- Padilla & Assoc	P0004367	Contractual	Mar-05
Planning	B-030-05 - Closeout	Sunset Blvd Signal Synchronization	P0004253	Contractual	Mar-05
Planning	B-022-05 - Closeout	HOV Lanes on Rte 14 from I-5 to Rte 126/San Fernando Rd	P0002201	Contractual	Feb-05
Planning	B-019-05 - Closeout	San Diego Freeway Corridor - Phase 1 ATSAC Project	P0004234	Contractual	Feb-05
Planning	B-013-04 - Closeout	Adventure In Mass Transit	P0004038	Contractual	Feb-05
Planning	B-016-05 - Interim	Alameda Corridor East -- Siemens Energy & Automation, Inc.	P0004367	Contractual	Feb-05

## Appendix B

Grant Audit FY 05 Completed Audits					
Area	Audit Number & Type	Memorandum of Understanding	MOU Number	Requirement	Date Completed
Planning	B-032-05 - Closeout	Alameda Corridor East -- Automated Switching Controls	P0004367	Contractual	Feb-05
Planning	B-041-04 - Closeout	UCLA Bruin Go! Transit Pass Demonstration	P0008311	Contractual	Feb-05
Planning	B-011-05 - Closeout	Mid-Cities Bus Speed Improvements	P0002102	Contractual	Dec-04
Planning	B-021-05 - Closeout	Fairfax Ave/Olympic Blvd/San Vicente Blvd Intersection Improvement	P0004340	Contractual	Dec-04
Planning	B-024-05 - Closeout	Santa Monica Blvd Facility Improvements	P0006063	Contractual	Dec-04
Planning	B-029-04 - Closeout	Transit Oriented District Implementation	P0004073	Contractual	Dec-04
Planning	B-012-05 - Closeout	Santa Monica Blvd. Pedestrian & Bike Facilities	P0006248	Contractual	Dec-04
Planning	B-010-05 - Closeout	Long Beach Transit Center	P0006059	Contractual	Dec-04
Planning	B-033-04 - Closeout	Bike Racks for Torrance Buses	P0006076	Contractual	Nov-04
Planning	B-018-04 - Interim	Alameda Corridor East -- Wagner Engineering	P0004367	Contractual	Nov-04
Planning	B-008-05 - Closeout	Northridge Metrolink Station Shuttle	P0006100	Contractual	Oct-04

## Appendix B

## Grant Audit FY 05 Completed Audits

Area	Audit Number & Type	Memorandum of Understanding	MOU Number	Requirement	Date Completed
Planning	B-007-05 - Closeout	Chatsworth Metrolink Shuttle	P0006099	Contractual	Oct-04
Planning	B-040-04 - Closeout	Chatsworth Intermodal Park And Ride	P0007107	Contractual	Oct-04
Planning	B-038-04 - Closeout	Metro Red Line Shuttle - W. Hollywood/Beverly Ctr/Cedar Sinai	P0006109	Contractual	Oct-04
Planning	B-022-04 - Closeout	Railroad Preemption Project	P0004389	Contractual	Sep-04
Planning	B-002-05 - Closeout	FY 03 SCAG Regional Core Rideshare Services Project	POCORE03	Contractual	Sep-04
Planning	B-001-05 - Closeout	FY 03 SCAG Rideshare Support Services in Los Angeles County	PLOCAL03	Contractual	Sep-04
Planning	B-009-05 - Closeout	Alameda Corridor East -- Kimley-Horn & Associates, Inc.	P0004367	Contractual	Sep-04
Planning	B-037-04 - Closeout	Metro Red Line - Melrose Shuttle	P0006108	Contractual	Aug-04
Planning	B-027-04 - Closeout	Bottleneck Intersection Imp - Downtown L.A.	487-246-1-50-95	Contractual	Aug-04
Planning	B-034-04 - Closeout	Westside Advanced Passenger Information Demonstration Project	P0004421	Contractual	Aug-04
Planning	B-026-04 - Closeout	Santa Monica's Big Blue Bus Bike Rack on Bus Program	P0006089	Contractual	Jul-04

## Appendix B

Grant Audit FY 05 Completed Audits					
Area	Audit Number & Type	Memorandum of Understanding	MOU Number	Requirement	Date Completed
Planning	B-023-03 - Interim	Alameda Corridor East -- Lee Andrews Group	P0004367	Contractual	Jul-04
Planning	B-043-04 - Closeout	Alameda Corridor East -- Big Independent Cities Excess Pool	P0004367	Contractual	Jul-04
Planning	B-044-03 - Closeout	Countywide Signal Synchronization Training	P0004235	Contractual	Jul-04
Planning	B-121-02 - Closeout	Metro Green Line Shuttle - Crenshaw/I-105 Station	P0006437	Contractual	Jul-04