



Metro

Metropolitan Transportation Authority

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EXECUTIVE MANAGEMENT & AUDIT COMMITTEE

March 18, 2004

SUBJECT: PRICEWATERHOUSECOOPER'S REPORT TO MANAGEMENT

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the attached Report to Management from PricewaterhouseCoopers regarding MTA's internal control.

ISSUE

As part of their independent audit of our financial statements for fiscal year ended June 30, 2003, our auditors, PWC, issued the attached letter as to the condition of internal control within the MTA. No matters involving internal control and its operation were considered material weaknesses.

BACKGROUND

The responsibility for the MTA's system of internal control rests with its management and Board of Directors. A strong system of internal control is indicated by organizational goals being met, management directives being followed in a timely and efficient manner, and assets of the MTA being properly safeguarded.

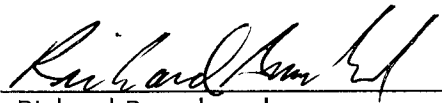
The attached Report to Management certifies that the MTA's internal control is in order and that there are no material weaknesses identified.

NEXT STEPS

None.

ATTACHMENT

PricewaterhouseCoopers' Letter dated September 19, 2003



Richard Brumbaugh
Chief Financial Officer



Roger Snoble
Chief Executive Officer

September 19, 2003

The Board of Directors
Los Angeles County Metropolitan Transportation Authority

Dear Board of Directors:

In planning and performing our audit of the financial statements of Los Angeles County Metropolitan Transportation Authority for the year ended June 30, 2003, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control and its operation that we consider to be material weaknesses as defined above.

This letter is intended solely for the information and use of the board of directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PricewaterhouseCoopers LLP

