

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

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**Statutorily Mandated Audit of  
Miscellaneous Expenses for the Period  
April 1, 2010 to June 30, 2010**

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Report No. 11-AUD-08

December 28, 2010





**Metro**

**Los Angeles County  
Metropolitan Transportation Authority**

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**DATE:** December 28, 2010

**TO:** Board of Directors  
Chief Executive Officer

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

**SUBJECT:** **Statutorily Mandated Audit of Miscellaneous Expenses for the Period  
April 1, 2010 to June 30, 2010 (Report No. 11-AUD-08)**

## **INTRODUCTION**

This report covers the period April 1, 2010 to June 30, 2010. 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 the sampled expenses incurred were:

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

For the period April 1, 2010 through June 30, 2010, we reviewed nine Metro accounts totaling \$2,713,399.<sup>1</sup> The accounts included in the audit were: training, business meals, mileage and parking, schedule checkers, seminar and conference fees, business travel, miscellaneous environmental, employee activities, and other miscellaneous expenses. From these nine accounts, we statistically selected 48 expenses totaling \$78,468 for our review. The statistical procedures resulted in no transactions being selected from the accounts of schedule checkers and miscellaneous environmental. See Attachment A for details.

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<sup>1</sup> This amount does not include transactions that were \$200 or less, adjustments, and credit amounts.

The audit was conducted in accordance with Generally Accepted 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 based on the audit results are limited to the transactions reviewed during this audit.

## **RESULTS OF AUDIT**

The expenses we reviewed for the period April 1, 2010 through June 30, 2010 generally complied with policies, were reasonable, and were adequately supported. Some minor issues raised during the audit were resolved by the Accounting Department by the end of the audit.

### Summary of Expenses Reviewed

Account	Account Description	Total Amount	Sample Amount
50213	Training Program	\$496,856	\$30,291
50903	Business Meals	33,676	1,625
50910	Mileage / Parking	5,669	552
50914	Schedule Checkers	3,532	-0-
50915	Seminar and Conference Fee	99,005	9,259
50917	Business Travel	176,199	6,887
50925	Misc. Environmental	57,473	-0-
50930	Employee Activities	97,040	3,418
50999	Other Miscellaneous Expenses	<u>1,743,949</u>	<u>26,436</u>
	<b>Totals</b>	<b><u>\$2,713,399</u></b>	<b><u>\$78,468</u></b>

## Final Report Distribution

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