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**MEASURE R INDEPENDENT TAXPAYERS  
OVERSIGHT COMMITTEE  
MARCH 6, 2019**

**SUBJECT: MEASURE R ORDINANCE AND LOCAL RETURN COMPARATIVE  
ANALYSIS**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file comparative analysis on the Independent Auditor's findings on Compliance with Requirements Applicable to Measure R Ordinance and Measure R Local Return Guidelines for the last four years.

**ISSUE**

The Measure R Oversight Committee requested that we provide a comparative analysis on the auditor's findings for the previous four years. This report is provided to fulfill this request for Fiscal Year (FY) 15-18.

**DISCUSSION**

For FY 2015, FY 2016, FY 2017 and FY 2018 we contracted with two firms (Vasquez & Company, LLP and Simpson & Simpson) to conduct the audits. For all four years the auditors have found that the cities and county generally complied with the requirements applicable to the Measure R Local Return Guidelines, with the exception of the City of Compton for fiscal years 16 and 18. The auditors found a 98% rate of compliance for FY 2015, 97% compliance for FY 2016, 96% compliance for FY17 and 97% compliance for FY18. The table below shows a summary of the findings:

Compliance Area	FY 2015	FY 2016	FY 2017	FY 2018
Funds were expended with LACMTA's approval	8	8	10	11
Expenditure Report (Form 2) was submitted on time	2	6	2	1
Expenditure Plan (Form 1) was submitted on time	2	3	15	8
Funds were expended for transportation purposes	4	8	4	3
Admin Expenditures are within the 20% cap	1	3		1
Recreational Transit form was not submitted on time.		1		
Timely Use of Funds			1	3
Accounting procedures, record keeping and documentation are adequate				1
<b>Total</b>	<b>17</b>	<b>29</b>	<b>32</b>	<b>28</b>

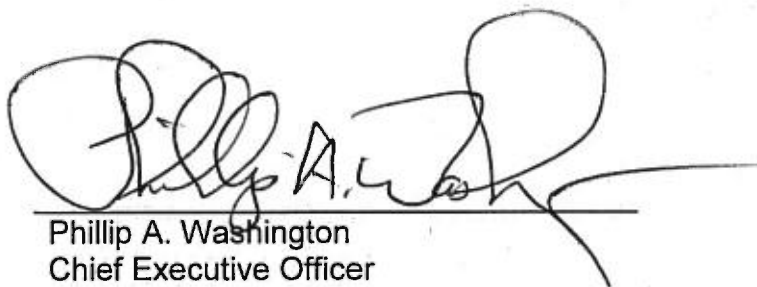
Resolution of the deficiencies is discussed in another item within this agenda titled Measure R Local Return Compliance Status.

**NEXT STEPS**

Management Audit will follow-up on the corrective actions to ensure they are implemented.

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