

Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General

**Audit of Miscellaneous Expenses for the
Period October 1, 2008 to December 31, 2008**

Report No. 10-AUD-01

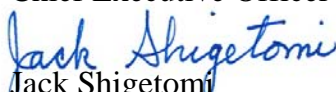
July 1, 2009





DATE: July 1, 2009

TO: Board of Directors
Chief Executive Officer

FROM: 
Jack Shigetomi
Deputy Inspector General - Audits

SUBJECT: **Audit of Miscellaneous Expenses for the Period
October 1, 2008 to December 31, 2008 (Report No. 10-AUD-01)**

INTRODUCTION

This report covers the period October 1, 2008 to December 31, 2008. Our Audit of Miscellaneous Expenses was performed pursuant to Public Utilities Code (PUC), Section 130051. The PUC 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 eight general ledger expense accounts such as training, business meals, mileage/parking, schedule checkers, seminar and conference fees, business travel, employee activities, and other miscellaneous expenses. For these eight accounts, expenditures totaled \$655,167 during October 1, 2008 through December 31, 2008, after eliminating transactions that were \$200 or less, adjustments, and credits. We statistically selected 47 expenditures totaling \$31,279 for review (see Attachment A for details).

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 October 1, 2008 through December 31, 2008 generally complied with policies, were reasonable, and were adequately supported. The audit did not identify any reportable conditions.

Summary of Expenses Reviewed

| Account | Account Description | Total Amount | Sample Amount |
|---------|------------------------------|-------------------------|------------------------|
| 50213 | Training Program | \$37,430 | \$3,781 |
| 50903 | Business Meals | 37,828 | 1,049 |
| 50910 | Mileage / Parking | 3,775 | 792 |
| 50914 | Schedule Checkers | 2,471 | 505 |
| 50915 | Seminar and Conference Fee | 40,664 | 1,103 |
| 50917 | Business Travel | 180,303 | 11,012 |
| 50930 | Employee Activities | 11,779 | 475 |
| 50999 | Other Miscellaneous Expenses | <u>340,917</u> | <u>12,562</u> |
| | Totals | <u>\$655,167</u> | <u>\$31,279</u> |

Final Report Distribution

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