

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

**Statutorily Mandated Audit of
Miscellaneous Expenses
April 1, 2024 to June 30, 2024**

Report No. 25-AUD-04

June 24, 2025



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DATE: June 24, 2025

TO: Metro Board of Directors
Metro Chief Executive Officer

FROM: Yvonne Zheng, Senior Manager, Audit
Office of the Inspector General

E-SIGNED by Yvonne Zheng
on 2025-06-24 13:38:15 PDT

SUBJECT: Final Report: Statutorily Mandated Audit of Metro Miscellaneous Expenses
April 1, 2024, to June 30, 2024 (Report No. 25-AUD-04)

INTRODUCTION

The Office of the Inspector General (OIG) performed an audit of Metro miscellaneous expense transactions processed from April 1 to June 30, 2024. This audit was performed pursuant to Public Utilities Code section 130051.28(b), which requires the OIG to report quarterly to the Board of Directors on the expenditures of the Los Angeles County Metropolitan Transportation Authority (Metro) for miscellaneous expenses such as travel, meals, refreshments, and membership fees.

We found that the transactions reviewed generally complied with Metro policies, were reasonable, and were adequately supported by required documents. However, we noted the following issues with three of the sampled expenses reviewed:

1. Non-Compliance with P-Card Rules and Guidelines;
2. Non-Compliance with Accounting Procedures and Guidelines – Petty Cash Funds (ACC-11); and
3. Issue with Justification Memo for Exception to Business Travel Guidelines.

OBJECTIVES, METHODOLOGY, AND SCOPE OF AUDIT

The objectives of the audit were to determine whether:

- Expenses charged were proper, reasonable, and in accordance with Metro policies and procedures;
- Expenses had proper approval, receipts, and other supporting documentation; and
- Policies and procedures were adequate and followed to ensure that expenses were documented and accounted for properly.

To achieve the audit objectives, we performed the following procedures:

- Obtained and reviewed applicable policies and procedures;
- Interviewed Metro personnel, including staff in Accounting, Program Management, Talent Development, Transit Security, Workforce Services, and Operations; and
- Reviewed invoices, receipts, justification memos, and other supporting documents.

This audit covered a review of Metro's miscellaneous expenses for the period of April 1 to June 30, 2024. For this period, miscellaneous expenses totaled \$4,172,000¹ with 870 transactions. We selected 51 expense transactions totaling \$2,569,822 for detail testing. Thirty-one (31) of the expense transactions were randomly selected, seven (7) were selected due to their large dollar amounts, and thirteen (13) were selected to add more samples for account number 50917 (MISC - BUSINESS TRAVEL), and other miscellaneous accounts. See Attachment A for details.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

BACKGROUND

All Metro expenditures are categorized into various expense accounts and recorded in Metro's Financial Information System (FIS). Metro employees have several options for seeking payment for miscellaneous expenses incurred, such as check requests, purchase cards, purchase orders, and travel & business expense reports. Each option has its respective policies, procedures, or guidelines.

¹ This total does not include transactions that were less than \$200, offsetting debits/credits, and transactions from the OIG and Transit Court Departments.

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The Accounting Department's Accounts Payable section is responsible for the accurate and timely processing of payments for miscellaneous expenses.

RESULTS OF AUDIT

Our audit found that the transactions reviewed generally complied with policies, were reasonable, and were adequately supported by required documents. However, we noted issues with the following transactions:

1. Non-Compliance with P-Card Rules and Guidelines

We examined a P-Card Log and supporting documentation submitted in May 2024 by an Administrative Analyst in the Office of Board Administration for transactions that occurred between March 24, 2024, and April 18, 2024. The log was submitted with a Justification Memo dated May 3, 2023, which was used as an exception request for the purchase of restricted items and as pre-approval for routine purchases. However, the memo did not include all the required information for such approvals. The audit identified the following instances of non-compliance with current Purchase Card Program Rules and Guidelines:

a. Missing Elements Required for Pre-Approval of Routine P-Card Purchases

The P-Cardholder in the Office of Administration paid for the following breakfast meals:

March 14, 2024 – Twenty breakfast meals, costing \$295.98

March 20, 2024 – Forty breakfast meals, costing \$524.51

March 21, 2024 – Forty breakfast meals, costing \$524.51

March 28, 2024 – Sixty breakfast meals, costing \$721.99

Current Metro Purchase Card Guidelines specify the following:

The following method could be used to handle the majority of routine P-Card purchases. For example, an Approving Official may send an e-mail to his/her Cardholder to specify what purchases are routinely authorized until further notice. The e-mail should contain:

- 1. A list of specific categories of items authorized without additional approval;*
- 2. A list of specified suppliers that are authorized without additional approval; and*
- 3. A dollar limit for each transaction that is authorized without additional approval.*

However, the Justification Memo submitted on May 3, 2024, did not include items #2 or #3 listed above. The memo only requested an exception for "meals associated with Board meetings as

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the circumstances are such that it is impractical to conduct business in a manner where those in attendance can follow a normal lunch procedure."

Upon OIG inquiry regarding why the meal purchases included breakfast while the Justification Memo referred to a lunch schedule, the employee responded, *"The memo is intended to cover business meals that happen throughout the entire day."*

b. No Written Pre-Approval for the Purchase of Restricted Items

The P-Cardholder in the Office of Administration also paid for a restricted item, bottled water.

The P-Card log and receipts included purchases of bottled water on March 25, 2024, and two separate purchases of bottled water and sparkling water on April 8, 2024.

According to the Metro Purchase Card Guidelines on Restricted Purchases:

The following list of commodities and vendor types are restricted from purchase with a P-Card as specified below. Additional vendor types not listed here may also be restricted.

Restricted Commodities/Vendors include:

- *Food and water:*
 - *Food items may be purchased if there is an advanced approval from the P-Card Program in support of approved business meetings. Only the Chief of a department may issue a request, in writing, via inter-office memo to the P-Card Program requesting the use of a P-Card to purchase food. The request must be approved by the Deputy Chief V/CM Officer and authorized in writing prior to the purchase.*
 - *No consumables (liquid/powder or otherwise) may be obtained on the P-Card without advance approval as explained above.*
 - *Exceptions that have been obtained will be considered valid for the instance described in the memo only.*
 - ***No bottled or distilled water may be purchased on the P-Card.***

However, the Justification Memo submitted on May 3, 2024, did not request approval for the purchase of bottled water. Upon OIG inquiry regarding whether the P-Cardholder obtained separate pre-approval for the purchases, the employee responded, *"No. The memo mentions beverages. We will rewrite the memo for clarification."*

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Recommendations:

Office of Board Administration

- P-Card Holders and Approvers should review the P-Card Program Rules and Guidelines to ensure compliance by requiring a suitable justification memo that includes all required elements for pre-approval of routine purchases.
- P-Card Holders and Approvers should ensure compliance by requiring a written justification for the pre-approval of restricted item purchases, as outlined in the P-Card Program Rules and Guidelines. The memo should cover up to a one-year period that can be updated and renewed annually. This would allow V/CM to review and approve the justification memo regularly to ensure compliance with applicable P-Card rules and procedures.

2. Non-Compliance with Petty Cash Funds Guidelines (ACC-11)

We examined a *Request to Replenish Petty Cash* form in the amount of \$620.00 that was submitted by Bus Maintenance and approved by Accounts Payable on April 15, 2024. The request was dated January 19, 2024, and submitted with two separate Justification Memos that were dated April 12, 2024. The request was also submitted with two Petty Cash Vouchers for \$300 each, dated February 15, 2024, and March 14, 2024. Also, there was a receipt dated February 28, 2024, for \$20.00, but no Petty Cash Voucher for that amount.

The current Accounting Procedures and Guidelines – Petty Cash Funds (ACC-11) states the following:

*“Emergency business purchases should be approved in advance. If this is not possible, the employee may get post approval of the purchases from their supervisor. The employee then must submit an approved Petty Cash Voucher (Attachment 1), not to exceed the maximum value of \$100.00, to the petty cash custodian within 30 days of the purchase in order to receive petty cash reimbursement. If the amount needed for the emergency purchase exceeds the \$100.00 limit, a justification approved by the department head or division manager must be attached to the invoice. All appropriate original receipts must be attached to the voucher. The signature of the manager who approved the purchase must appear on the voucher. **Petty cash must not be disbursed without an approved petty cash voucher. Vouchers must be retained in order to substantiate the petty cash replenishment.**”*

A petty cash request was not properly supported by one or more petty cash vouchers totaling \$620.

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When we inquired why there was no Petty Cash Voucher submitted to the Petty Cash Custodian, the Custodian replied, *"The cash voucher is an internal control mechanism for when the cash is going to be used by one of our outside divisions/sections. The cash for GRC [Grievance Resolution Committee] is used by employees within our office, as such there hasn't been a need for the voucher."*

Recommendation:

Bus Maintenance

- To ensure compliance with policy requirements, we recommend that all approvers thoroughly review the Accounting Procedures and Guidelines – Petty Cash Funds (ACC-11) and verify that all necessary documentation is provided for the **disbursement** and **replenishment** of Petty Cash funds, which includes petty cash vouchers.

3. Issue with Justification Memo for Exception to Business Travel Guidelines Policy

We examined a Travel and Business Expense (TBE) Report dated April 24, 2024, which was submitted by a DEO of Government Relations for travel from April 15 through April 18, 2024. The TBE Report was submitted with a Justification Memo dated March 20, 2024, requesting the initially planned travel from April 17 to 18, 2024. A subsequent Justification Memo was submitted on April 8, 2024, requesting additional travel from April 15 to 16, 2024, for work-related travel, and an exception for lodging expense over the per diem rate. However, the actual cost of the lodging was more than three times the per diem rate and was not disclosed in the Justification Memo or the accompanying Travel Authorization (TA) request form.

The Metro Business Travel Guidelines (GEN 65) policy states, *"LACMTA will only reimburse a traveler for lodging and meals for domestic travel up to the amounts outlined in IRS Publication 1542."* The policy also requires that *"The traveler must submit an electronic, new and completed TA Request with all applicable information and documents required on the Travel Authorization Checklist (Attachment 2) for each individual trip. LACMTA cannot approve blanket authorization to travel."* The policy further specifies, *"Business travel is booked based on the most economically responsible means to carry out LACMTA business."*

However, the Justification Memo that was submitted on April 8 should have been for a separate and individual trip for travel on April 15-16. Instead, it was used to combine the travel needed for the event on April 16th with the travel required for the event on April 18th. Additionally, a new or separate TA form was not submitted for the additional travel on April 15-16. Instead, the original TA form submitted on March 19 for travel on April 17-18 was edited to include the name of the additional lodging hotel and additional travel dates, but the total lodging cost was not updated to reflect the additional cost of lodging at the additional hotel.

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The allowable lodging per diem rate for the time and location of travel was \$145 per day, yet the daily rate at the lodging hotel used on April 15 was \$413.10, with a total cost of \$480.02 after taxes and fees. The amount for lodging that was disclosed on the submitted TA form was \$480, yet the total lodging cost on the TBE form that was submitted for reimbursement exceeded \$1,000.

Upon OIG inquiry regarding why the cost of the lodging was not included on Justification Memos or the TA form, the employee responded with the following:

"The memo did not include cost of lodging because the TA form includes all cost estimates including lodging. In section 2.1 of Gen 65 the business justification memo must include: specific traveler, purpose of the trip, identify the organization, meeting location and the dates of travel, which we did include. It says it may also include additional requests for approval such as a request for car rental, exception for lodging expense over the per diem rate, personal vehicle use/parking, local lodging, or other special requests but does not state it must include the cost estimate. As the price of hotels frequently fluctuate, we did include a request for an exception to lodging expense."

The cost for additional days of travel was not provided or seen in the Travel Authorization or in the justification memo, allowing the traveler to incur travel expenses without a manager's prior notification and approval.

Recommendation:

Government Relations

- We recommend that all approvers thoroughly review the current Metro Business Travel Guidelines (GEN 65) policy to require that traveling employees disclose known or estimated lodging costs in Travel Authorization Request Forms and any required information accompanying Memos of Justification.

OBSERVATIONS

1. P-Card Monthly Spending Limit Exceeded

P-Card Rules and Guidelines state: *"The use of the P-Card is subject to a single transaction limit and monthly spending limit requested by Business Unit management and approved by the Agency Program Coordinator. A written justification for increases on Single Purchase Limits and/or Monthly Cycle Limits must be submitted with a Purchase Card Change form."*

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The P-Cardholder for the Transit Security Department has a monthly spending limit of \$15,000. Our review of the May 2024 P-Card log found that the monthly expenditures were over \$36,000. The cardholder provided written documentation that showed a temporary increase in the monthly spending limit to \$75,000 was requested and approved in April 2023 to be in effect through December 31, 2023. However, based on the justification memo submitted to the P-Card Administrator, this temporary increase was supposed to end on December 31, 2023. We inquired whether an extension of the temporary monthly increase was requested, and the cardholder advised that the memo requesting the temporary increase till December 31, 2023, was the last request submitted.

A similar issue was identified during the prior audit of miscellaneous expenses for the period January through March 2024 in Audit Report No. 25-AUD-03 that was issued on December 13, 2024. At that time, recommendations were made to both Transit Security and the Purchase Card Program, and management concurred with those recommendations. As a result, the recurrence of this issue during the current audit period was not considered a separate finding requiring a duplicate recommendation. Implementation of the previously agreed-upon recommendations is expected to enhance Metro's ability to more effectively track and monitor P-Card purchases and associated spending limits. Metro should consider implementing a control over justification memos for approved purchases. Managing prior approved justification memos that have run their course and expired could be better controlled with a periodic review by Metro's V/CM and/or Accounting departments.

2. Turnaround Times for Reimbursement of Travel & Business Expense (TBE) Reports

As part of this audit, we evaluated the timeliness of reimbursements for Travel and Business Expense (TBE) reports, specifically to assess whether employees are experiencing delays or excessive waiting periods after submitting their TBE reports.

To conduct this review, a total of 87 TBE reports from this period were reviewed on an actual basis. Of these, 58 reports (66.7%) resulted in employees receiving reimbursement within 30 days of the initial report submission to the Travel Program Administrator. It was noted, however, that delays in reimbursement are often attributable to reports being submitted without all required supporting documentation. These incomplete submissions can result in processing delays until the documentation is provided and the TBE report is approved.

When measuring turnaround time from the date of TBE report approval, we found that employees were reimbursed within 30 days in 94% of cases. Only five instances were identified where reimbursement occurred more than 30 days after approval.

In the five instances where reimbursement occurred more than 30 days following report approval, two were reimbursed within 35 days. Therefore, only three instances — representing

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less than 4% of all TBE reports — involved reimbursements issued more than 35 days after the approval date.

Based on these findings, we do not observe any significant issues related to excessive delays in the processing of TBE reimbursements. The process appears to function effectively when reports are submitted with the necessary documentation.

Travel & Business Expense Turnaround in Days

Reimbursement Turnaround (Days)	After TBE Submission	After TBE Approval
1 - 15	40	70
16-30	18	12
31 +	29	5
Total TBE's	87	87

COMPARISONS WITH PRIOR PERIODS

In the course of our audit, we noted the following when comparing the miscellaneous expenses for prior quarters and fiscal years. Note: All amounts were based on the audit population.

1. Reviewed Quarter (FY24 Q4) versus Prior Quarter (FY24 Q3) Miscellaneous Expenses

Miscellaneous expenses in the reviewed quarter totaled \$4,172,000, a 111% increase in expenses compared to the third quarter in FY 2024. This was mainly due to an increase in advertising and miscellaneous expenses. Account 50999 (MISC – EXPENSES – OTHERS) for the third quarter of this fiscal year totaled \$740,492 and \$2,382,699 for this current quarter, resulting in a \$1,642,207 (222%) increase in spending. See Table 1.

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Table 1: Reviewed Quarter versus Prior Quarter

Account	Apr-Jun 2024	Jan-Mar 2024	Increase (Decrease)
Advertising	\$ 934,691	\$ 313,294	\$ 621,397
Business Meals	170,124	108,614	61,510
Business Travel	328,761	154,358	174,403
Corporate Membership	139,300	278,224	(138,924)
Employee Relocation	0	81,099	(81,099)
Employee Activities and Recreation	12,418	71,795	(59,377)
Professional Membership	15,661	20,835	(5,174)
Seminar and Conference Fee	148,761	194,607	(45,846)
Miscellaneous (50999) *	2,382,699	740,492	1,642,207
Others (Mileage and Parking, etc.)	39,583	13,405	26,178
Total	\$ 4,172,000	\$ 1,976,723	\$ 2,195,277
Increase			111%

* Miscellaneous (account number 50999) is used for miscellaneous expenses incurred that cannot be classified under accounts 50901 to 50940, including payments made to cover the expenditures for fines and penalties incurred by Metro, books, and periodicals used in the normal operation of Metro's business, recruitment expenses, community outreach, postage, and others. (Source: Metro's Descriptive Chart of Accounts)

The dollar amounts for April - June 2024 have been rounded to the nearest whole dollar.

2. Reviewed Quarter (FY24 Q4) versus Same Quarter of Prior Year (FY23 Q4) Miscellaneous Expenses

Miscellaneous expenses for the reviewed quarter increased by \$1,084,984 or 35% as compared to the same quarter of FY23. This was mainly due to an increase in Account 50999 (Miscellaneous Expenses - Others). Business Travel expenses dropped 54% from the fourth quarter in the prior fiscal year. See Table 2.

Statutorily Mandated Audit of Miscellaneous Expenses**April 1, 2024 to June 30, 2024****Office of the Inspector General****Report No. 25-AUD-04****Table 2: Reviewed Quarter versus Same Quarter of Prior Year**

Account	Apr-Jun 2024	Apr-Jun 2023	Increase (Decrease)
Advertising	\$ 934,691	\$ 938,669	\$ (3,978)
Business Meals	170,124	174,507	(4,383)
Business Travel	328,761	724,574	(395,813)
Corporate Membership	139,300	126,676	12,624
Employee Relocation	0	0	0
Employee Activities and Recreation	12,418	13,872	(1,454)
Professional Membership	15,661	25,343	(9,682)
Seminar and Conference Fee	148,761	181,484	(32,723)
Miscellaneous (50999) *	2,382,699	876,208	1,506,491
Others (Mileage and Parking, etc.)	39,583	25,683	13,900
Total	\$ 4,172,000	\$ 3,087,016	\$ 1,084,984
Increase Over Same Quarter of Prior Year			35%

3. July 2023 to June 2024 versus July 2022 to June 2023

Miscellaneous expenses for the period July 2023 to June 2024 totaled \$10,624,302, a 17% increase from the period July 2022 to June 2023, where expenses totaled \$9,086,066. In the fourth quarter of each fiscal year, from April to June, Metro's expenses were the highest. (In the fourth quarters of Fiscal Years 2023 and 2024, miscellaneous expenses totaled approximately \$3.1 million and \$4.2 million, respectively. (See Figure 1).

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**Figure 1: Miscellaneous Expenses per Quarter
July 2023 to June 2024 versus July 2022 to June 2023**

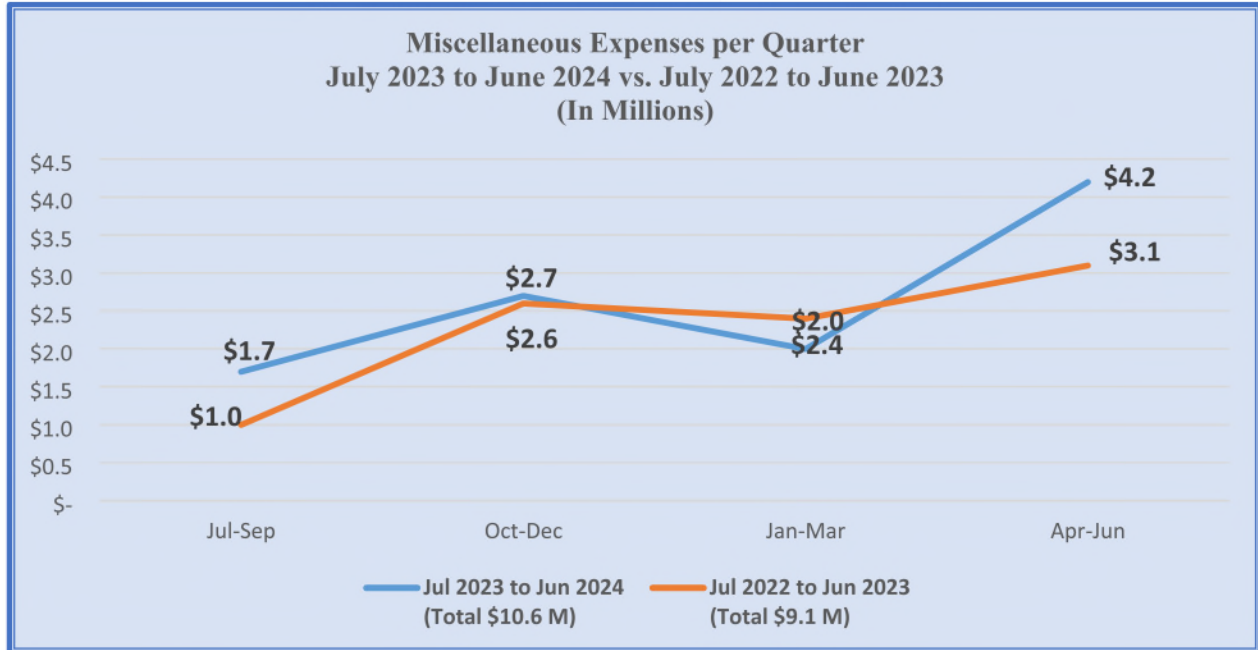
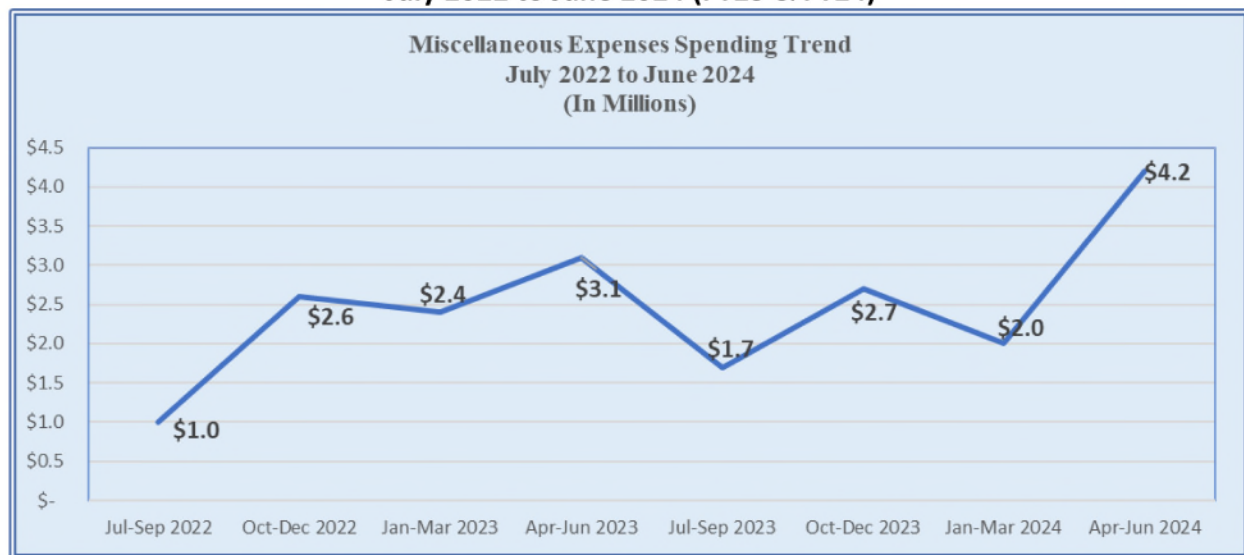


Figure 2 shows the spending trend for miscellaneous expenses for the last two years.

**Figure 2: Miscellaneous Expenses Spending Trend
July 2022 to June 2024 (FY23 & FY24)**



As noted earlier, miscellaneous expenses were highest during the last quarter of each fiscal year. Part of this increase can be attributed to the accrual of expenses in June of each fiscal year that are charged to the respective year's budget. It is a common practice to exhaust budgeted funds

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in the 4th quarter of a fiscal year to avoid trailing expenses to the following fiscal period. The increase in spending after July through September 2022 was likely attributable to a transitional end to COVID-19.

CONCLUSION

The miscellaneous expenses we reviewed for the quarter of April 1 to June 30, 2024, generally complied with Metro policies and procedures, were reasonable, and were adequately supported by required documents. However, we found exceptions related to Metro's P-Card Rules and Guidelines, Accounting Procedures and Guidelines – Petty Cash Funds (ACC-11), and Business Travel Guidelines (GEN 65).

RECOMMENDATIONS

We recommend the following:

Office of Board Administration

1. P-Card Holders and Approvers should review the P-Card Program Rules and Guidelines to ensure compliance by requiring a suitable justification memo that includes all required elements for pre-approval of routine purchases.
2. P-Card Holders and Approvers should ensure compliance by requiring a written justification for the pre-approval of restricted item purchases, as outlined in the P-Card Program Rules and Guidelines. The memo should cover up to a one-year period that can be updated and renewed annually. This would allow V/CM to review and approve the memo more regularly to oversee whether it complies with applicable rules and policy.

Bus Maintenance

3. To ensure compliance with policy requirements, we recommend that all approvers thoroughly review the Accounting Procedures and Guidelines – Petty Cash Funds (ACC-11) and verify that all necessary documentation is provided for the disbursement and replenishment of Petty Cash funds, which includes petty cash vouchers.

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Government Relations

4. We recommend that all approvers thoroughly review the current Metro Business Travel Guidelines (GEN 65) policy to require that traveling employees disclose known or estimated lodging costs in Travel Authorization Request Forms and any required information accompanying Memos of Justification.

MANAGEMENT COMMENTS TO RECOMMENDATIONS

On May 27, 2025, we provided Metro Management with our draft report. By June 12, 2025, Metro Management submitted their responses summarizing their corrective actions. See Attachment B.

OIG EVALUATION OF MANAGEMENT RESPONSES

Metro Management responses and corrective actions taken are responsive to the findings and recommendations in the report. Therefore, we consider all issues related to the recommendations resolved and closed based on the corrective actions taken.

Summary of Sampled Expenses Audited

Account	Account Description	Audit Population	Sample Amount
50213	Training Program	\$ 36,029	\$11,118
50903	Business Meals	170,124	13,457
50905	Corporate Membership	139,300	69,500
50908	Employee Relocation <a>	0	0
50910	Mileage and Parking	3,554	663
50912	Professional Membership	15,661	2,998
50914	Schedule Checkers Travel <a>	0	0
50915	Seminar and Conference Fee	148,761	13,058
50917	Business Travel	328,761	17,876
50918	Advertising	934,691	707,369
50930	Employee Activities & Recreation	12,418	7,073
50999	Other Miscellaneous Expenses	<u>2,382,699</u>	<u>1,726,710</u>
	Total	<u>\$4,172,000</u>	 <u>\$2,569,822</u>

<a> No expenses incurred for this quarter.

 This total does not include transactions that were less than \$200, offsetting debits and credits, and transactions from the OIG and Transit Court Departments.

The dollar amounts for Audit Population have been rounded to the nearest whole dollar.

Management Comments to Draft Report

Office of Board Administration**Metro****Interoffice Memo**

Date	May 28, 2025
To	Yvonne Zheng Sr. Manager, Audit
From	Collette Langston Board Clerk <i>[Signature]</i>
Subject	Response to OIG Audit No. 25-AUD-04

This memo is in response to the Office of the Inspector General audit, 25-AUD-04, which found that the Office of Board Administration was in non-compliance with P-Card rules and guidelines.

As the audit states, the department uses the P-Card to purchase business meals and beverages, such as bottled water, for Committee and Board Meetings. Due to these being restricted items under the P-Card rules and guidelines, an exception memo is submitted annually but as the audit shows, the memo is missing detailed information required to authorize these types of purchases.

Board Administration clarified the memo for FY25, adding additional details as to what types of restricted items would be purchased using the P-Card and will include even more details for FY26. As is Board Administration's standard practice, the memo is updated, reviewed, and signed by the Deputy Chief V/CM annually, mid-June. This will continue to be the department's practice.

Please contact me at 213.364.6681 if you would like to discuss or require additional information.

Management Comments to Draft Report

Operations



Metropolitan Transportation Authority

Metro**Interoffice Memo**

Date	May 28, 2025		
To	Karen Gorman Inspector General		
From	Conan Cheung Chief Operations Officer	Shahrza d Amiri	Digitally signed by Shahrza d Amiri Date: 2025.06.13 12:58:03 -0700
Subject	Management Response to Draft Report on Statutorily Mandated Audit of Metro Miscellaneous Expenses April 1, 0224 to June 30, 2024 (Report No. 25-AUD-04)		

Operations Management reviewed the Draft Report Statutorily Mandated Audit of Metro Miscellaneous Expenses April 1, 0224 to June 30, 2024 (Report No. 25-AUD-04). Operations will update and monitor policies and procedures to comply with the recommendations outlined in the draft report for Bus Maintenance. The following identifies actions to be taken by Operations Bus Maintenance to comply with the recommendations from the audit:

Bus Maintenance**Recommendation # 3**

To ensure compliance with policy requirements, we recommend that all approvers thoroughly review the Accounting Procedures and Guidelines – Petty Cash Funds (ACC-11) and verify that all necessary documentation is provided for the disbursement and replenishment of Petty Cash funds, which includes petty cash vouchers.

Management Response: Agree; Management has thoroughly reviewed the Accounting Procedures and Guidelines – Petty Cash Funds (ACC-11). All necessary documentation is now provided for the disbursement and replenishment of Petty Cash funds, which includes petty cash vouchers.

Completion Date: Complete and ongoing

Management Comments to Draft Report

Chief of Staff



Metro

Interoffice Memo

Date	June 12, 2025
To	Karen Gorman Inspector General
From	Nicole Englund Chief of Staff
Subject	Response to Issue 3 of 25-AUD-04 Draft Report on Metro Misc. Expenses April 1 to June 30, 2024

This memo serves as a response to Issue 3 of the 25-AUD-04 Draft Report on Metro Misc. Expenses April 1 to June 30, 2024. We appreciate the opportunity to clarify our process and affirm our commitment to Metro’s Business Travel Guidelines (GEN 65).

Please note that on January 30, 2025, we were informed by the Office of the Inspector General that there is no violation of the policy. In January 2025, I reviewed GEN 65 with our team to ensure full alignment. All business travel is coordinated through Metro’s Travel Department, and our team does not independently modify TA forms any updates are made by the Travel Department following proper approvals.

Regarding the April 15–16 travel, a justification memo was submitted and updated to reflect the change. A request for a lodging exception was included, as available hotel rates in Sacramento during that period were significantly higher due to multiple overlapping events and limited government-rate availability. The Deputy Chief of Staff approved the updated travel and lodging.

Going forward, we will strengthen coordination with the Travel Department to ensure that any exception requests, cost estimates, or lodging rate variances are clearly documented upfront to support policy compliance and reimbursement.

The Metro Government Relations department will continue to comply with the current Metro Business Travel Guidelines (GEN 65) and coordinate all travel through our Travel department.

Thank you.

Final Report Distribution

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