



Washington Metropolitan Area Transit Authority

Office of Inspector General (OIG) Calendar Year 2011 Activities Report

Audits and Investigations Committee

March 8, 2012



Purpose

- Inform the Board about OIG activities to promote economy and efficiency, and detect and prevent fraud and abuse during 2011



OIG Mandate

- Conduct and supervise audits, program evaluations, and investigations
- Promote economy, efficiency, and effectiveness
- Detect and prevent fraud and abuse
- Keep the Board of Directors (Board) informed about deficiencies, as well as the necessity for and progress of corrective action
- Make periodic reports to the Board



Audits Component

- Three audit teams—contracts, internal operations, and information technology
 - Follow generally accepted audit practices
 - Review contractors' pricing information
 - Supervise annual independent audit of financial accounts and perform a quality assurance review of the audit
 - Examine program and contractor performance in carrying out their respective responsibilities
 - Conduct independent assessments of programs and operations



Audits Activities and Results

- 73 audit products were issued
 - 67 attestations (reviews of contractors' pricing information used in pre-negotiations, billing rates, pre-awards, Buy America Act certifications)
 - 4 performance audit reports
 - 2 external reports in oversight role



Attestation Reports

- Reviewed pricing information in 22 contractors' proposals used in pre-negotiations
 - Value of \$53.5 million
 - Suggested \$7.3 million in audit adjustments
 - At least \$3.2 million in adjustments made
 - consultant services
 - spare parts
 - track circuits



Performance Audit Reports

<u>Report Title</u>	<u>Date</u>	<u>Recommendations Number</u>	<u>Concurred</u>	<u>Current Status Open</u>	<u>Closed</u>
Review of WMATA MAXIMO Orders Module	03-28-11	4	4	3	1
Review of Office of Bus Maintenance Inspection Program	06-03-11	3	3		3
Audit of Reported Paratransit Revenues and Ridership	10-03-11	6	5	1	5
Review of WMATA's Oversight of Selected Information Technology Service Contractors	12-02-11	11	11	11	



Performance Audit Reports - Recommendations


Deficiencies	Number of Recommendations
Failure to follow or lack of policies and procedures	10
Lack of oversight/monitoring	8
Inadequate communication between offices	1
Lack of application controls	2
Lack of proper reconciliation and revenue recognition	1
Failure to properly follow standards of conduct	1
Lack of security over contract files	1
Total for Year	24



Deficiencies With the Highest Repeat Percentage for Years 2007 - 2011

Highest Repeat Deficiencies:

- Failure to follow or lack of policies and procedures
- Lack of oversight/monitoring

<u>Year</u>	<u>Percentage</u>	
2007	87%	 Average for years 2007-2011 = 78%
2008	71%	
2009	80%	
2010	79%	
2011	75%	



Investigations Component

- Conducts criminal, civil, and administrative investigations of fraud, waste, and abuse related to programs and operations
- Handles the OIG Hotline, including intake of complaints and determining appropriate actions
- Investigates or refers complaints to management, the OIG Audit component, or another agency, as appropriate
- Investigates allegations of whistleblower retaliation (P/I 7.32/1)



Investigations Activities and Results

Complaints received – 302

- 271 referred to Departments/Offices for follow-up
- 31 OIG investigations opened
 - 15 cases closed
 - 8 Reports of Investigations (ROIs) issued: action required
 - 7 No ROI: complaint not substantiated
 - 16 cases pending (still under investigation)



Retaliation Complaints

- Retaliation complaints received 4
- Retaliation ROIs completed and referred to Hearing Panel 3
- Panel concurred with OIG 3