



Executive Committee

Action Item III-A

June 13, 2024

Acceptance of Inspector General's Reports

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

Document
Number:
207796

Resolution:
☐ Yes ☒ No

Presentation Name:

Acceptance of OIG Reports

Project Manager:

Yamani Dole

Project Department:

OIG

Purpose/Key Highlights:

The Executive Committee's acceptance of OIG's reports entitled: Audit of WMATA's Software Licensing Management and the Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements for the Fiscal Years Ended June 30, 2023 and 2022.

Audit of WMATA's Software Licensing Management

The audit's objective was to determine whether Digital Modernization(DM) has established adequate controls to manage WMATA's software licenses.

Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements

The objective of a SmarTrip Regional Partner Comparative Billing Statements Audit is to determine whether the audited entity's billing statements are free of material misstatements.

Acceptance of the final reports constitutes the Board's authorization to post it on the WMATA OIG website provided the Inspector General has conferred with the General Counsel and confirmed that any private or confidential information has been redacted in accordance with applicable law and WMATA policy.

Interested Parties:

None

Background:

Audit of WMATA's Software Licensing Management

DM supports WMATA's strategic goals of safety, reliability, talented teams, and operational efficiency by providing information technology services, strategic planning, continual improvement, and decision support services. Policy Instruction 15.25/1, section 4.01(k) states that the Chief Digital Officer is responsible for "establishing ownership and responsibility for the proper operation and cybersecurity of all enterprise-wide technology assets...." This responsibility includes managing one particular "technology asset," software, and its respective lifecycle.

Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements

WMATA is required to have an audit of the SmarTrip Regional Partner Comparative Billing Statements which provides an allocation of the actual operating expenses incurred for the Regional SmarTrip Program for each of the Participating Jurisdictions for each fiscal year ended June 30th.

The Operations Funding Agreement between the Participating Jurisdictions requires an independent external auditor, as determined by the Inspector General, to annually audit WMATA's actual allocated operating expenses and amounts billed included in the SmarTrip Regional Partner Comparative Billing Statements. OIG retained RSM to conduct this annual audit in compliance with this requirement.

Discussion:

Audit of WMATA's Software Licensing Management

OIG found that DM can improve its management of software licensing and assets by strengthening controls in the following areas:

- Software licensing optimization and utilization management,
- Software lifecycle tracking, and
- Monitoring and detecting software and hardware purchases made with WMATA purchase cards.

OIG made five recommendations to address the deficiencies noted in this report. The five recommendations center on implementing the appropriate infrastructure (people, process, and technology) to manage the lifecycle of software and software licensing.

WMATA management concurred with all the findings and recommendations, and the EVP/CDO initiated corrective measures. The OIG considers management's comments responsive to the recommendations, and the actions taken or planned should correct the deficiencies identified in the report.

The work highlighted in this report demonstrates OIG's commitment to promoting accountability, efficiency, and effectiveness in WMATA's programs and operations and keeping the Board of Directors fully and currently informed about deficiencies in WMATA's activities, as well as the necessity for and progress of corrective actions.

Audit of WMATA's SmarTrip Regional Partner Comparative Billing Statements

The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the billing statements.

Audit Results

- Unmodified opinion

RSM US, LLP(RSM) issued its opinion on the results of the audit on May 20, 2024.

Funding Impact:

There is no impact on funding.

Previous Actions:

There were no previous actions.

Next Steps:

WMATA agreed to take corrective action to address OIG's recommendations.

Recommendation:

Approval to: post the reports on the WMATA OIG website.