

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

Document
Number:
205531

Resolution:
☐ Yes ☒ No

Presentation Name:

Acceptance of OIG's Report

Project Manager:

Yamani Dole

Project Department:

OIG

Purpose/Key Highlights:

The Executive Committee's acceptance of OIG's report entitled:
Audit of WMATA's Money Train Operations

The audit objectives were to determine if WMATA has appropriate internal controls for safeguarding Metrorail cash collection and deposit processes and to determine the effectiveness and efficiency of WMATA's Money Train operations.

Acceptance of the final report 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:

Finance and Chief Operating Officer

Background:

Situation: WMATA's Money Train collection and deposit internal controls are in place; however, opportunities exist for improvements in internal controls. During the audit OIG found the following:

- Inadequate separation of duties and opportunity for rail cash and cash deposit reconciliation management review.

- Inconsistent safeguard controls for security cameras.
- Incident reporting & quality assurance practices for revenue protection inconsistent with contract & MTPD policies.
- Missing safety assessment.
- Revenue cash collections policies and procedures were followed but revenue and equipment were still exposed.
- Background checks not performed or were not documented.

Impact: The safety of Revenue Collection Technicians and riders could be at risk and risk of potential theft. In addition, if incidents are not consistently reported, safety risks can continue if they are not properly documented. Strong internal controls for cash collection and revenue processing are necessary to ensure that management objectives are achieved and to prevent or detect improper activities. Relying on a single employee to complete the monthly rail cash reconciliation and deposit reports causes inaccurate accounting records, variances not being resolved or reliable, loss of funds due to human errors, bank errors, undetected possible asset misappropriation, or risk of fraud/theft. Without appropriate employee background controls, WMATA does not have assurance of a clean background check for employees.

Discussion:

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.

There were no conflicts between the IG's findings and recommendations listed in this report and management's response. The Inspector General has conferred with the General Counsel and confirmed that any private or confidential information has been removed/redacted in accordance with applicable law and WMATA policy.

Funding Impact:

There is no impact on funding.

Previous Actions:

There were no previous actions.

Next Steps:

Management Solution: WMATA management generally concurred with all the findings and recommendations. The Executive Vice President/Chief Financial Officer (EVP-CFO) and the Executive Vice President/Chief Operating Officer (EVP-COO) have initiated corrective measures for the recommendations in this report.

Recommendation:

Approval to: post report on the WMATA OIG website