



Executive Committee

Action Item III-A

October 26, 2023

Acceptance of Inspector General's Report

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

Document
Number:
205630

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 SmarTrip Regional Partner Comparative Billing Statements for the Fiscal Years Ended June 30, 2022 and 2021.

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. An 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 October 4, 2023.

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:

None

Background:

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. In compliance with this requirement, OIG retained RSM to conduct this annual audit.

Discussion:

RSM identified a significant deficiency in internal control during the audit. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

Funding Impact:

There is no impact on funding.

Previous Actions:

There were no previous actions

Next Steps:

WMATA will apply improved practices around identifying invoices pulled through system queries that are outside the then-current year scope of expenses consistent with accrual accounting.

Recommendation:

Approval to: post the report on the WMATA OIG website