
Final

FY09-FY12 Performance Audit Administration & Management Review

Prepared for



Metropolitan Transit Authority of Harris County

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Contents

Section	Page
Section 1. Introduction	1-1
1.1 Audit Approach.....	1-1
1.2 Agency Background	1-1
1.3 Report Organization	1-4
1.4 Acronyms and Abbreviations.....	1-4
Section 2. Department of Finance	2-1
2.1 Department of Finance.....	2-1
2.1 Accounting Division	2-4
2.1.1 Overview and Organizational Structure	2-4
2.1.2 Responsibilities and Products.....	2-4
2.1.3 Performance over the Audit Period.....	2-6
2.1.4 Performance from Staff Perspective	2-8
2.1.5 Performance from Customer Perspective	2-11
2.1.6 Findings: Accounting Division	2-11
2.2 Budget Services Division.....	2-13
2.2.1 Overview and Organizational Structure	2-13
2.2.2 Responsibilities and Products.....	2-13
2.2.3 Performance over the Audit Period.....	2-14
2.2.4 Performance from Staff Perspective	2-17
2.2.5 Performance from Customer Perspective	2-18
2.2.6 Findings: Budget Services Division.....	2-19
2.3 Grant Programs Division.....	2-20
2.3.1 Overview and Organizational Structure	2-20
2.3.2 Responsibilities and Products.....	2-20
2.3.3 Performance over the Audit Period.....	2-21
2.3.4 Performance from Staff Perspective	2-22
2.3.5 Performance from Customer Perspective	2-23
2.3.6 Findings: Grant Programs Division.....	2-23
2.4 Treasury Services Division	2-24
2.4.1 Overview and Organizational Structure	2-24
2.4.2 Responsibilities and Products.....	2-25
2.4.3 Performance over the Audit Period.....	2-25
2.4.4 Performance from Staff Perspective	2-27
2.4.5 Performance from Customer Perspective	2-28
2.4.6 Findings: Treasury Services Division	2-29
Section 3. Department of Information Technology	3-1
3.1 IT Application Support Division	3-3
3.1.1 Overview and Organizational Structure	3-3
3.1.2 Responsibilities and Products.....	3-3
3.1.3 Performance over the Audit Period.....	3-4
3.1.4 Performance from Staff Perspective	3-6
3.1.5 Performance from Customer Perspective	3-7
3.1.6 Findings: IT Application Support Division	3-8
3.2 IT Infrastructure Division	3-9
3.2.1 Overview and Organizational Structure	3-9
3.2.2 Responsibilities and Products.....	3-9
3.2.3 Performance over the Audit Period.....	3-9

3.2.4 Performance from Staff Perspective 3-11

3.2.5 Performance from Customer Perspective 3-11

3.2.6 Findings: IT Infrastructure Division 3-12

3.3 IT Administration Division..... 3-13

3.3.1 Overview and Organizational Structure 3-13

3.3.2 Responsibilities and Products 3-13

3.3.3 Performance over the Audit Period..... 3-13

3.3.4 Performance from Staff Perspective 3-15

3.3.5 Performance from Customer Perspective 3-16

3.3.6 Findings: IT Administration Division 3-16

Section 4. Findings and Recommendations 4-1

4.1 Department of Finance Recommendations 4-1

4.1.1 Staff Development and Succession Planning..... 4-1

4.1.2 Process Improvements 4-1

4.1.3 Management Control and Reporting..... 4-2

4.2 Department of Information Technology Recommendations 4-2

4.2.1 Increase Strategic Value of IT 4-3

4.2.2 Improve IT Governance 4-3

4.2.3 Reduce the Number of Core IT Systems..... 4-4

4.2.4 Improve Non-Central Support 4-4

Appendices

- A Titles of Staff Interviewed for the Audit
- B Interview Guides
- C Documents Reviewed for Task 3

Section 1. Introduction

The purpose of this audit is to meet the mandate of Section 451.454 of the Texas Transportation Code for quadrennial audits of transit authorities in Texas. The purpose of the performance audit is two-fold:

- Provide evaluative information necessary for State and local officers to perform oversight functions
- Provide information useful to METRO for improving the efficiency and effectiveness of their operations.

The performance audit is required to assess METRO's:

- Compliance with applicable state law from Chapter 451 of the Texas Transportation Code (Task 1)
- Collection and compilation of base statistics and measurement of specified state-mandated performance indicators (Task 2)
- Performance in one of three areas (i.e., administration and management, transit operations or system maintenance). Each functional area must be addressed once every three audit cycles (Task 3).

This report for Task 3, Administration and Management, of the contract presents the results of the review which for this audit cycle assessed the Department of Finance (i.e., Budget Services, Grant Programs, Accounting, and Treasury Services Divisions) and the Department of Information Technology (IT) (i.e., Application Support, Infrastructure Support, and Administration Divisions). The period of this audit is for Fiscal Years (FYs) 2009, 2010, 2011, and 2012 covering the period of time from October 1, 2008 through September 30, 2012. The last performance audit for Administration and Management was completed for FY 1997 through FY 2000. The compliance with Chapter 451 requirements and the review of performance indicators are the subject of separate reports.

This review was designed to identify strengths of the two functions, Finance and IT, as well as opportunities to improve the efficiency and effectiveness of the services they provide.

1.1 Audit Approach

A team of professionals with experience in transit Finance and IT were assigned to Task 3, the functional review to be conducted as part of the audit. This team held a Kick-Off meeting with key METRO staff on February 5, 2013 to introduce the team, discuss the audit approach and schedule, and answer questions.

During February 4 through 7, 2013, the audit team interviewed over eighty (80) METRO staff. Some were one-on-one interviews while others were conducted in small groups. The interviews were arranged with the assistance of METRO Finance staff that served as the Project Manager for the audit and were conducted at METRO headquarters at 1900 Main Street, Houston, Texas. Interviewees included METRO leadership, leaders and managers of the Departments of Finance and IT, METRO users of both Finance and IT services as well as METRO Finance and IT staff. An interview guide was prepared and shared with interviewees in advance of the interviews. METRO leaders and managers were interviewed to provide insights for the review and discuss performance trends, accomplishments and challenges. Staff in the Departments of Finance and IT as well as their customers in other METRO departments were interviewed to assess the effectiveness of their services and identify opportunities for improvement of their functions. Staff who were interviewed are listed in Appendix A to this report. The interview guides are included in Appendix B. Appendix C includes a list of documents reviewed as part of the audit for Task 3.

1.2 Agency Background

As noted in documents such as METRO's FY 2012 Business Plan and Budget and the Federal Transit Administration's FT 2012 Triennial Review, METRO provides transit service to a population of approximately 3.5

million in a 1,285 square mile service area. Metro serves the Cities of Houston, Bellaire, Bunker Hill Village, El Lago, Hedwig Village, Hilshire Village, Humble, Hunters Creek Village, Katy, Missouri City, Piney Point Village, Southside Place, Spring Valley Village, Taylor Lake Village, and West University Place as well as portions of unincorporated Harris County. METRO is an independent regional transit authority pursuant to the provisions of Article 1118x of the Texas Revised Civil Statutes, now codified as Chapter 451 Texas Transportation Code, as amended. METRO began operating service in 1979.

METRO is led by a nine-member Board of Directors, which includes five members who are nominated by the Mayor of Houston and confirmed by the City Council, two who are appointed by mayors of METRO's 14 other member cities, and two are appointed by the Harris County Commissioners Court. The Board meets monthly and Board members serve on six committees whose names reflect the driving concerns of the Authority: Finance/Audit, Capital Programs, Governmental & Public Affairs, Operations, Customer Service, and People.

Today, METRO has a well-established transit system, including a fleet of approximately 1,400 buses (including METROLift vehicles), 18 light rail vehicles, and a regional system of more than 100 miles of HOV lanes. In FY2012, METRO provided 80.9 million bus, light rail, and paratransit boardings and about 2.4 million vanpool trips.

Bus services operate from six operations/maintenance locations of which five are directly operated by METRO. The sixth, the Northwest Bus Operating Facility (BOF), is contracted to First Transit, Inc. METRO directly operates its light rail line, and contracts all of its paratransit service to four operators. METRO is currently constructing an extension of the existing North Light Rail Transit (LRT) line as well as new Southeast and East lines; all three lines are expected to be in service by the end of 2014. METRO also operates Park & Ride facilities and the region's HOV lanes and is implementing a program of High Occupancy Toll (HOT) lane construction in the urban area.

At the time of the FTA Triennial Review in April 2012, METRO was operating a network of 102 weekday, 43 Saturday, and 33 Sunday fixed routes. Service was provided on weekdays from 3:41 a.m. to 1:05 a.m. (next day), on Saturday from 4:19 a.m. to 12:59 a.m. and on Sunday from 4:18 a.m. to 1:06 a.m. The Americans with Disabilities Act (ADA) complementary paratransit service operates from 1:00 a.m. to midnight, seven days a week. For those riders who require late night and early morning service, service on the METROLift Subsidy Program (MSP) service is available before and after the hours listed above.

The basic adult fare for bus service is \$1.25. A reduced fare of \$0.60 is offered at all times for senior citizens, persons with disabilities, Medicare card holders, and students. Children younger than 6 years and seniors aged 70 and older with a 70+ Lifetime Pass ride for free. METRO offers five free rides for every 50 paid rides for METRO riders who use the METRO Q® fare card. The fare for the complementary paratransit service is \$1.15. The MSP service is jointly funded by METRO and the passenger. The passenger pays the first \$1 and METRO pays up to the next \$8.00 of the meter fare. The passenger pays any fare amount over \$9.00.

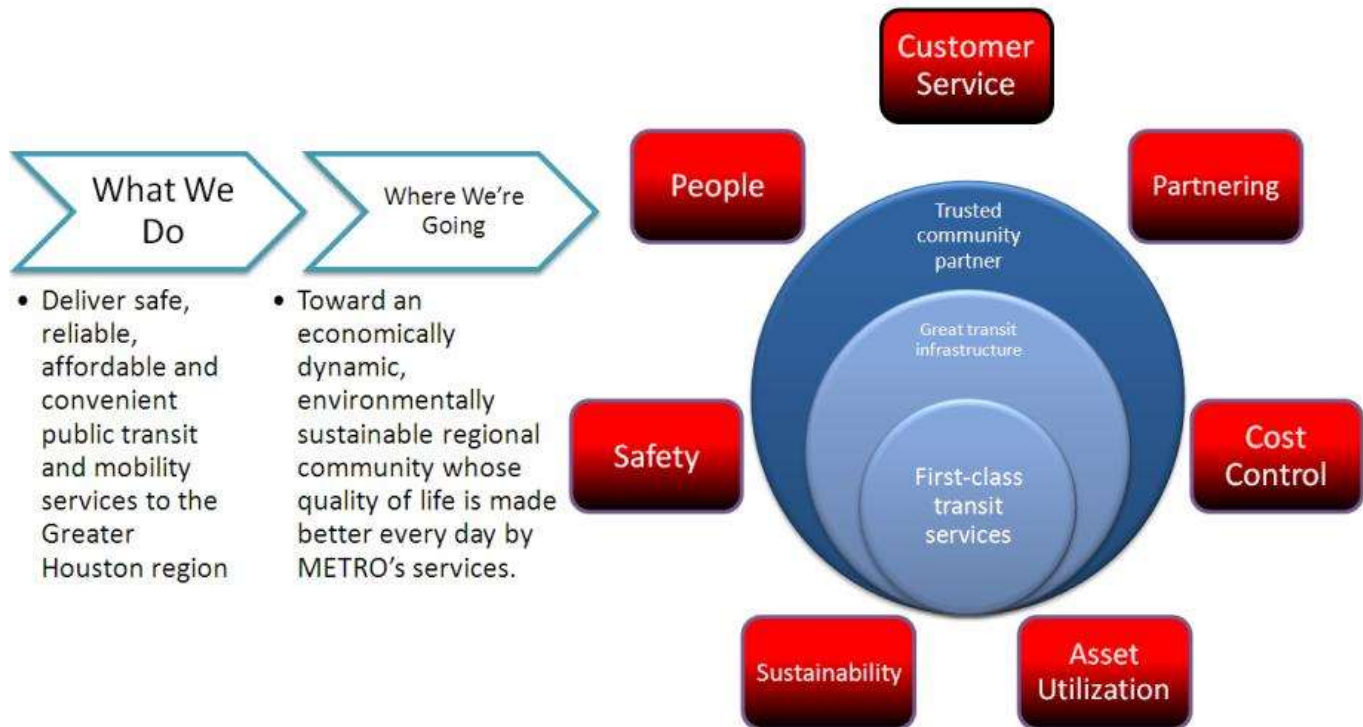
In addition to fares, METRO's revenues include a 1% local sales tax in the METRO service area and federal grants. Currently, 25% of sales tax proceeds are allocated to local jurisdictions' non-transit general mobility projects, to enhance regional mobility and ease congestion. During the audit period, the regional economy strengthened and sales tax revenues increased 13.9%, from \$521.2 million in FY 2008 to \$593.7 million in FY 2012.

In FY 2011, METRO instituted an annual scorecard program for each department. The scorecards are available online through SharePoint. The objectives and measures are reported quarterly and at the end of each fiscal year. Since the system was newly developed in FY 2011, the status indicators portion of the quarterly reports showing how each measure is trending was not fully developed, so in some cases no information was included in that section of the scorecard. There are quarterly budget meetings during which each department meets with the CEO, the Executive Vice President, and the Vice President of Performance Improvement. These meetings are an opportunity to discuss each department's budget and performance over the quarter and plans for the future.

During the last two years of the audit period, METRO focused on the sustainability of the transit system, by "righting the ship" in FY 2011, to deal with the controversies and challenges of the previous years, and setting the "shape for the future" in FY 2012, by reshaping the organization to better position it to meet challenges and seize

opportunities. Especially during those last two years, departmental objectives and measures were aligned with METRO'S seven operating principles, as shown in METRO's diagram in Figure 1.

FIGURE 1
METRO's Operating Principles



The Seven Operating Principles of the New METRO are defined as follows:

- **Customer Service:** offer safe, reliable, timely, affordable service with an emphasis on outstanding customer service.
- **Partnering:** actively pursue opportunities to partner within the community for improved mobility and regional goals, while also working internally to achieve shared goals.
- **Cost Control:** treat taxpayer money as our own and manage public resources in an open and transparent manner.
- **Asset Utilization:** make the most of existing resources to provide superior customer benefits.
- **Sustainability:** incorporate economic, environmental and social factors into long-term planning as part of being a responsible partner in the region.
- **Safety:** keep the safety of our customers, employees and the general public our #1 priority.
- **People:** support employees by giving them the direction, skills, tools and resources to succeed.

In addition, in FY 2012 METRO developed a Sustainability Plan with three pillars including Financial, Social (Workforce) and Environmental Sustainability and some of the measures on the departmental scorecards are consistent with this focus.

1.3 Report Organization

This audit report is organized into three primary sections. Section 2 discusses the audit of the Department of Finance; Section 3 discusses the audit of the Department of IT; Section 4 provides the audit Findings and Recommendations for the Department of Finance and Department of IT.

The Department of Finance and Department of IT sections are divided into information for each of the Department Divisions:

- Department of Finance:
 - Accounting
 - Budget Services
 - Grant Programs
 - Treasury Services.
- Department of Information Technology
 - IT Application Support
 - IT Infrastructure
 - IT Administration.

This discussion of each division includes the following:

- Overview and organization structure
- Responsibilities and products
- Performance over the audit period
- Performance from staff perspective
- Performance from customer perspective
- Findings.

1.4 Acronyms and Abbreviations

Table 1 contains acronyms and abbreviations used in this report.

TABLE 1
Acronyms and Abbreviations

Acronym/Abbreviation	Full Name
ACS	Affiliated Computer Services
ADA	Americans with Disabilities Act
AP	Accounts Payable
APC	Automated Passenger Counting
APP	Advance Procurement Planning
ARRA	American Recovery and Reinvestment Act
AVL	Automatic Vehicle Location
BBR	Back of Bus Reloaders
BCR	Budget Change Request
Board	METRO Board of Directors
BOF	Bus Operating Facility
CAD	Computer-Aided Dispatch
CAFR	Comprehensive Annual Financial Report
CEO	Chief Executive Officer
CFO	Chief Financial Officer

Acronym/Abbreviation	Full Name
CIO	Chief Information Officer
COH	City of Houston
DR	Disaster Recovery
EA	Enterprise Architecture
EAM	Enterprise Asset Management
ECF	Employee Change Form
ERP	Enterprise Resource Planning
FFGA	Full Funding Grant Agreement
FTA	Federal Transit Administration
FY	Fiscal Year
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GL	General Ledger
HCM	Human Capital Management
HOT	High Occupancy Toll
HR	Human Resources
INIT	Innovations in Transportation Inc.
IRS	Internal Revenue Service
IT	Information Technology
ITSC	Information Technology Steering Committee
IVOMS	Integrated Vehicle Operations Management System
IVR	Interactive Voice Response
JARC	Job Access and Reverse Commute
LRT	Light Rail Transit
M4	METRO Works Time Sheet Management
METRO	Metropolitan Transit Authority of Harris County
MM	Maintenance Management
MRO	Maintenance Repair and Operations
MSS	Management Self Service
NTD	National Transit Database
OMB	Office of Management and Budget
Pcards	Purchasing Card
PMO	Program Management Oversight
PMOC	Program Management Oversight Consultant (for FTA)
PO	Purchase Order
POS	Point of Sale
PRISM	METRO's Procurement Software
Q®Card	METRO's Electronic Fare Card
QCP	Q®Card Processing Center
SLC	Strategic Leadership Council
SOGR	State of Good Repair
Sr.	Senior
TSP	Transit Signal Priority
TVM	Ticket Vending Machine
VP	Vice President
W2	Wage and Tax Statement

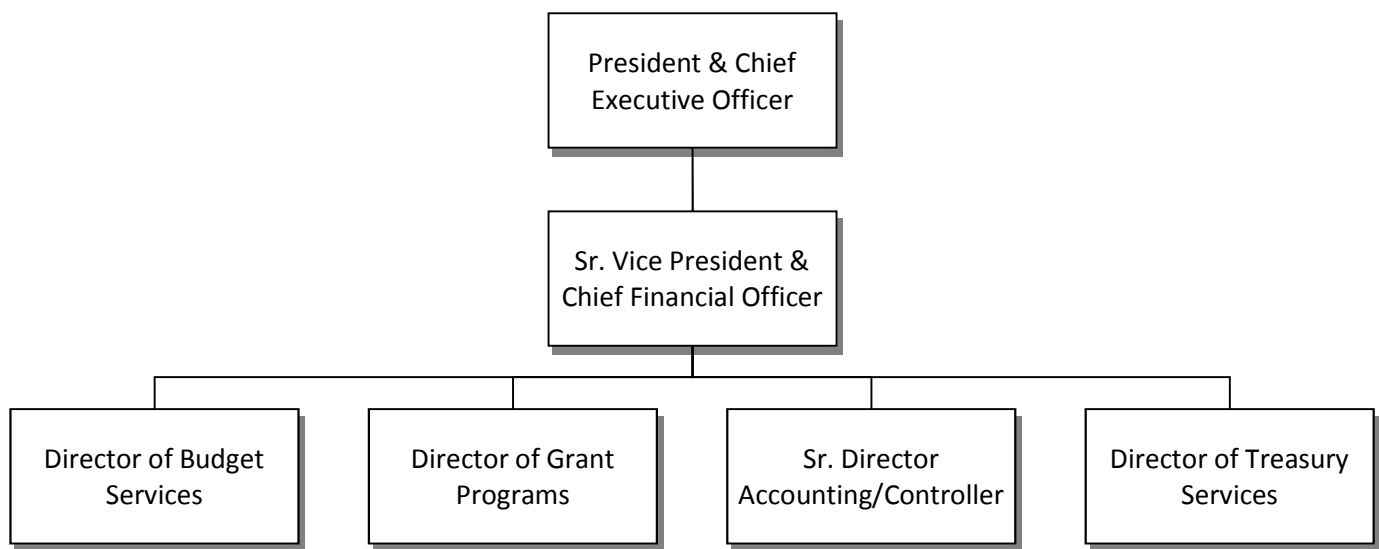
Section 2. Department of Finance

2.1 Department of Finance

The Department of Finance reports to the President & Chief Executive Officer (CEO) of METRO. The Department of Finance is one of nine Departments in METRO reporting to the President and CEO.

The Department of Finance is led by the Senior Vice President & Chief Financial Officer (CFO). There are four Divisions within the Department of Finance including Accounting, Budget Services, Grant Programs, and Treasury Services. As of October 1, 2012, the Department of Finance had a total of 72 budgeted positions for FY 2013. Figure 2 is an organization chart for the Department of Finance.

FIGURE 2
Department of Finance Organization Chart



During the recession, METRO adopted a “culture of thrift,” which was structured not just to reduce costs but also to get greater value for their expenditures. METRO’s FY 2013 Sustainability Plan discusses the “culture of thrift” as follows: “Thrift can take a variety of shapes and forms and can be practiced daily with little to no effort. The concept of thrift goes beyond just cutting costs. It’s actually a broad-brush approach to effecting cost control. It means actually looking at every dollar spent and thinking about the value those dollars generate in return.” As part of this initiative, the Department of Finance experienced some organizational changes and was part of METRO’s cost control and organizational rightsizing efforts, particularly in FY 2011. The Office of Management and Budget (OMB) was refocused and renamed; today it is the Budget Services Division. The Risk Management Division, which was previously part of OMB, is now located in the Safety Department.

METRO’s rightsizing efforts in FY2011 and reshaping efforts in FY2012 resulted in restructuring the Department of Finance. Additional staffing changes due to retirements and other routine staff turnover has resulted in transfers of existing staff to different positions and responsibilities and hiring of new staff. Such staffing changes have resulted in a “learning curve” for staff new to their positions. In FY 2012, Organizational Development prepared a succession planning procedure that includes a process for identifying high-potential employees, monitoring the advancement of individuals’ competencies and performance, and establishing career ladders and monitoring the progress. This process will continue in FY 2013 and expected to provide succession planning for the Department of Finance.

The Comptroller of Public Accounts began the Texas Comptroller Leadership Circle program in December 2009 to recognize local governments across Texas that are striving to meet a high standard for financial transparency online. Local governments are being spotlighted that are:

- Opening their books to the public
- Providing clear, consistent pictures of spending
- Sharing information in a user-friendly format that lets taxpayers easily find more information.

There are three levels of the Leadership Circle Awards – gold, silver and bronze. For each of the three years since the program was implemented (FY 2010 – FY 2012), METRO achieved the gold level that highlights those entities that are setting the bar with their financial transparency. This is a significant accomplishment that demonstrates METRO’s commitment to financial accuracy, financial transparency, and communication with the public.

In November 2011, METRO entered into a \$900 million Full Funding Grant Agreement (FFGA) with the FTA, to provide support for the North and Southeast Rail Lines. The FFGA is significant for METRO as the Authority was able to draw down over \$300 million in FY 2012, including \$164 million in reimbursements for prior period expenditures identified by the Finance Department, and \$357 million in capital grant revenues (compared to \$81.5 million in FY 2011).

In 2010, FTA launched the State of Good Repair (SOGR) initiative, to improve the transit industry’s practices with respect to capitalization and maintenance issues, asset management practices, and innovative financing strategies. SOGR is a priority for METRO. During the last two years of the audit period, the Department of Finance has had a lead role in developing METRO’s capitalization policy in response to GASB’s fixed assets accounting rules and supporting the interfaces from the financial systems to the Enterprise Asset Management (EAM) system for SOGR.

In FY 2011, METRO instituted an annual scorecard program for each department. The Department of Finance has at least one objective and measure for each of METRO’s Operating Principles as described in Section 1.2 of this report. Some of the measures, such as safety, apply to all four Divisions in Finance while some are specific to only one Division. In addition, each employee has a scorecard that ties into their performance review and pay for performance, in years that pay for performance is implemented and funded. METRO has a pool of funds budgeted for pay for performance beginning in January 2013.

Measures that apply to all four Divisions in the Department of Finance are shown in Tables 2 and 3; those measures that apply to only one Division are shown under the section on that Division’s performance over the audit period. In both FY 2011 and FY 2012, the Department of Finance Divisions met or exceeded their common scorecard measures. Since the system was newly developed in FY 2011, the status indicators portion of the quarterly reports showing how each measure is trending was not fully developed, so in some cases no information was included in that section of the scorecard.

TABLE 2
Finance Scorecard - FY2011
All Finance Divisions

Objective/Measurement	Target/Actual Performance	Status
Give the highest priority to safety related activities when allocating funds for programs and projects. / Document a process for rating expenditure request based on safety.	100%/100%	

Objective/Measurement	Target/Actual Performance	Status
Provide accurate financial reports to the METRO Board, executive management and the public on a timely basis. Revise and simplify METRO's cost allocation model to reflect the new capitalization policy and organizational structure. /Complete monthly and quarterly reports timely of Finance Committee and the board. Complete new overhead allocation model by 2nd quarter 2011.	100%/100%	On target or better. No concerns.
Identify key Finance employees for advance training in Finance technology applications or participation on technical task forces to improve professional competency and prepare for higher responsibilities. / Number of Finance personnel receiving technical training and number of Finance personnel serving on technical task forces each quarter.	18 people/43 people	Achieved above and beyond expectations.
Promote team work/environment within the Finance Department and for interactions with other departments. /Develop a program, including cross-training, to share information and expertise by the end of the 2nd quarter FY 2011.	100%/100%	On target or better. No concerns.

Source: METRO Finance Scorecard – FY 2011

TABLE 3

Finance Scorecard - FY2012

All Finance Divisions

Objective/Measurement	Target/Actual Performance	Status
Provide accurate financial reports to the METRO Board, executive management and the public on a timely basis. /Complete monthly reports timely for Finance and the Board. Complete quarterly review packages timely for the Strategic Leadership Council (SLC).	100%/100%	On target or better. No concerns.

Objective/Measurement	Target/Actual Performance	Status
Partner with a social services agency on a community project – led by Budget Services. /Finance employees will work on a community project with a social services agency (Star of Hope).	100%/100%	On target or better. No concerns.
Identify key Finance employees for advance training in Finance technology applications or participation on technical task forces to improve professional competency and prepare for higher responsibilities. / Number of Finance personnel receiving technical training and number of Finance personnel serving on technical task forces each quarter.	40 people/80 people	Achieved above and beyond expectations.

Source: METRO Finance Scorecard – FY 2012

The remainder of this chapter provides an overview and organizational structure, responsibilities and products, performance over the audit period, and audit findings for each of the four Divisions in the Department of Finance:

- Accounting
- Budget Services
- Grant Programs
- Treasury Services.

2.1 Accounting Division

2.1.1 Overview and Organizational Structure

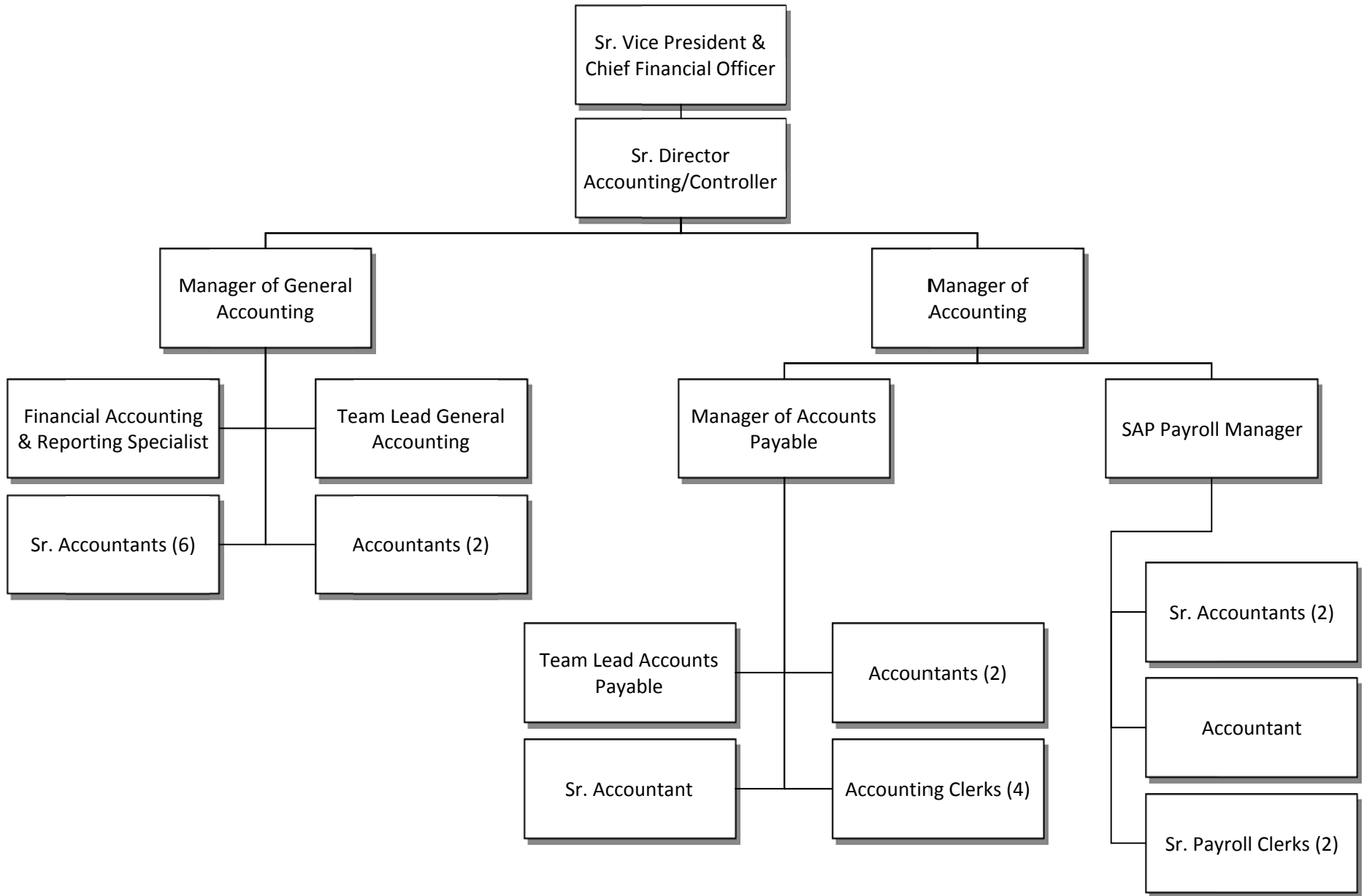
The Accounting Division reports to the Senior Vice President & CFO for METRO. Figure 3, on the following page, shows the current organization of the 28 positions in the Accounting Division, including 11 positions in the General Accounting section and 16 positions in the Accounting section. All positions were budgeted and filled as of October 1, 2012. The Accounting Division is led by the Senior Director Accounting/Controller.

2.1.2 Responsibilities and Products

The Accounting Division includes two primary sections: General Accounting and Accounting.

The General Accounting section is responsible for internal and external financial reporting, accounts receivable, and capital assets, including understanding/implementing new accounting/reporting standards, monitoring internal controls over financial reporting, and compliance with various sections of state and federal laws. Their financial reporting responsibilities include the Comprehensive Annual Financial Report (CAFR), National Transit Database (NTD) financial forms, budget month-end reports, and pension reports, and they work with external, Federal, and State auditors. They maintain capital asset records and the fixed asset system (e.g., garage, furniture, property) including maintaining asset records and reconciling inventory. They obtain the Accounts Payable (AP) check registry from the Treasury Services Division, process postings and deposits, and apply the payments in Oracle. They process real estate lease invoicing and Pcards (expense reporting). They are the custodian for state retention records.

FIGURE 3
Accounting Division Organization Chart



The Accounting section is responsible for AP and payroll for the 4,000 employees who are a mix of weekly payees, bi-weekly payees, and salaried employees. This includes posting to SAP and the interface to Oracle's General Ledger (GL). They are responsible for mapping the SAP payroll wage types to SAP/Oracle GL accounts. The section maintains account code combinations in SAP and provides support to accounts set up in Oracle GL. They prepare and/or review payroll balance sheet account analyses. They review, edit and develop multiple guidelines for Payroll and AP. The Accounting section reviews and approves all quarterly tax reports, prepares year-end tax reports and ensures compliance with tax laws, and ensures pre- and post-tax wage types are set up properly for Internal Revenue Service (IRS) Wage and Tax Statement (W2) forms. The Accounting section also performs analytical review procedures for month-end financial statements and answers budget variance questions for other departments. They assist other departments with miscellaneous audit responses.

During the audit period, the Accounting Division coordinated with internal task forces/committees including:

- Business Assistance Fund Committee – distributes funds for businesses impacted by current LRT construction. The Committee reviews applications for funds from businesses in accordance with rules established by the METRO Board.
- Workforce Sustainability Committee – reviewed METRO's work force, succession planning, 5-year planning of employee needs and presented findings to the METRO Board.
- Talent Development Community of Practice – reviews training, programs, etc.
- Enterprise Asset Management (EAM) system for SOGR – not a financial system, but it needs to interface with other software.
- Pension meetings.
- Procurement Selection Committees.

Financial information originates in all departments and is collected and reported by General Accounting/Financial Reporting, including monthly cost/budget variance reports. These reports are reviewed/analyzed by the user departments that are responsible for their budgets. The General Accounting/Financial Reporting Group also performs both due diligence reviews and detailed analyses on financial information and provides direct support to other departments.

Financial information included in the CAFR and NTD is audited each year by independent external auditors. This information is reported in multiple state and federal filings each year as required by state or federal law. Information reported in the Single Audit Reports and CAFRs is independently audited and the auditors perform agreed upon procedures to evaluate operational data included in the NTD report. Financial information included in the NTD report is reconciled with the independently audited CAFR. The most recent CAFR was completed for FY 2012 (October 1, 2011 through September 30, 2012) and was issued on March 22, 2013.

Operational data reported to the NTD is collected, analyzed and reported by staff in various METRO departments, including the Service Delivery, Service Design and Development, and Police Departments. The processes for deriving data and performance indicators are stipulated by NTD reporting requirements issued by the FTA. The methods used to collect, store, analyze and report data are maintained by the responsible departments and most of this information is reviewed each year by external auditors for compliance with NTD reporting requirements, as required by the FTA to ensure accurate data collection, reporting, and storage.

2.1.3 Performance over the Audit Period

Performance of the Accounting Division is tracked in numerous ways including:

- Completion of monthly reports for Board.
- On-time and accurate processing of payroll checks.
- On-time payment of vendors.
- Timely completion of compliance and financial audits.
- Feedback from Board members, local governmental leaders, the community and other METRO departments.

The Finance scorecard objectives and measures that are applicable to the Accounting Division are shown in Table 4 for FY 2011 and Table 5 for FY 2012. As shown, the Accounting Division met all of its performance measurements for those two years, except one that was delayed. Since the system was newly developed in FY 2011, the status indicators portion of the quarterly reports showing how each measure is trending was not fully developed, so in some cases no information was included in that section of the scorecard.

TABLE 4

Finance Scorecard - FY2011*Accounting Division*

Objective/Measurement	Target/Actual Performance	Status
Review records of fixed assets, age and service, to dispose of non-essential tangible and intangible assets. / Develop method to report and comply with both GASB 51 and changes to capitalization. (Draft capitalization policy distributed for use in 2012 budgets. Continuing to research and review capitalization issues and finalize policy.)	100% / 100%	Off target but not a big concern at this time. Less than 10% off target.
Pay invoices promptly to take advantage of discounts and avoid late payments. / Promptly pay 12,000 invoices per quarter to meet contract terms and avoid penalties.	12,000 invoices per quarter/12,000 invoices per quarter	On target or better. No concerns.
Enhance public trust by completing the FY2010 external audit including single audit with an unqualified auditor's opinion. /Complete the audit timely by March 31, 2011 (Single audit issued and filed June 15, 2011).	100%/100%	
Partner with the Procurement Department and project managers to ensure the payment of contracts/purchase orders match receipts and are paid within payment terms. / Work with IT and Materials Management to move the purchasing and paying (performing three-way match) of inventory parts from Oracle to SAP by 3rd quarter 2011. (Slowed due to external auditor demands. Testing extended to ensure timely payment of invoices and accurate financial close).	100%/100%	On target or better. No concerns.

Source: METRO Finance Scorecard – FY 2011

TABLE 5
Finance Scorecard - FY2012
Accounting Division

Objective/Measurement	Target/Actual Performance	Status
Enhance public trust by completing the FY2011 external audit including single audit with an unqualified auditor's opinion. / Complete the audit timely by March 31, 2012. Also, FTA Triennial review completed with no findings.	100%/100%	
Process payrolls and fringe benefits timely and accurately. / Process 52 weekly payrolls and 26 biweekly payrolls timely and accurately. Process special payments for union employees by due dates as specified in Labor Agreement.	100%/100%	On target or better. No concerns.

Source: METRO Finance Scorecard – FY 2012

The Accounting Division performed well on the scorecard measures in FY 2011 and FY2012. However, some scorecard measures could be made stronger by targeting outcomes and by reporting against defined performance measures. For example:

- The FY 2011 objective to pay invoices promptly is intended, in part, to take advantage of discounts and avoid late payments. It could be improved by incorporating measurements of the dollar value of discounts earned and the cost of late payments.
- To successfully meet the FY 2011 and FY 2012 objective to complete the external audit including the single annual audit “with an unqualified auditor’s opinion,” it would be appropriate to state whether or not the auditor issued an unqualified opinion.

2.1.4 Performance from Staff Perspective

The ten members of the Accounting Division who were interviewed as part of this audit were discussed audit period accomplishments and challenges. Their comments are summarized below.

Highlights of audit period **accomplishments** include providing critical support for the SAP Human Resources (HR) management system implementation on August 1, 2010. Despite a difficult transition, the Accounting section made payroll on-time with minimal errors and completed all required tasks by their due dates.

The General Accounting section implemented lean management by improving business processes and developing staff while continuing to produce high quality financial information/reports. Overall, Accounting Division staff work hard to be responsive to their customers’ needs – and in return, are appreciated by their user departments.

These and other performance highlights articulated by Accounting Division staff, including both accomplishments and challenges, are summarized below:

Audit Period Highlights: Accounting

Accomplishments

- Provided support for SAP implementation
- Implemented lean management: improved business processes and developed staff while continuing to produce high quality financial information/reports
- Developed capitalization policy in support of SOGR initiative
- Accounting staff are responsive, effective, appreciated by user departments

Challenges

- Using SAP Payroll and Oracle Financial systems
- Oracle system is 11 years old and is no longer supported
- Interface issues between Oracle and SAP
- Inconsistent pay rules and multiple interpretations of labor agreement provisions
- Staff reductions make it difficult to complete assigned work, assist/train user department staff, respond to questions generated by METRO's financial transparency

Accounting Division staff identified a sizeable list of audit period achievements, some of which included:

- Reducing and consolidating bills to suppliers and reducing the number of checks METRO is issuing to suppliers through use of SAP (e.g., METRO previously issued checks for 500 utility accounts – they are now grouped into 5 checks; IRS checks were reduced from 10 to 1).
- Producing an Annual Report for FY 2009 with management changes and legal actions resulting in extra audits – with no major issues
- Developing new capital asset guidelines (with Budget Services) and working (with Capital Programs and Program Controls) to identify rail-related costs that should be written-off
- Increasing the dollar amounts and volumes of payments to vendors as a result of LRT capital projects.
- Identifying \$167 million in asset savings in the FY 2010 CAFR
- In FY 2012, for the FTA FFGAs, identifying past years' expenses that could be grant-funded
- Converting the pension plan statements to CAFRs in FY 2012 and clearing a qualified opinion on the exception report on the Health and Welfare Trust Annual Report
- Implementing Government Accounting Standards Board (GASB) 51 (Accounting and Financial Reporting for Intangible Assets), changing business processes and redesigning Oracle reporting
- Working directly with an outside consultant and auditors in FY 2011 to develop two cost allocation models
- Implementing a capitalized overhead rate.

These staff also identified **challenges and barriers** for the Accounting Division during the audit period:

- Many comments recognize challenges related to METRO's IT systems, and specifically the relationships between Oracle and SAP:
 - METRO's Oracle system is 11 years old and is no longer supported. Some of the core financial functions in Oracle include the GL, check cutting, AP records, purchase orders for services (e.g., land and rent). There are also compatibility issues between old and new software (e.g., can't use new Windows 7 with the current version of Oracle so it is necessary to keep a computer in the office with old versions of Windows to use Oracle).

- Having multiple systems, like SAP Payroll, Oracle Financial, SAP and Oracle AP, means multiple interfaces, making it more complicated to configure systems and to analyze data.
- There are challenges with the interface between SAP and Oracle. The information in SAP doesn't work in Oracle downstream.
- There is some duplication of effort between Oracle and SAP, and some manual interfaces between the two systems (e.g., bus parts and vendors are in SAP and other vendors are in Oracle). There are differences between the two systems in terms of how accruals are handled and work involved with reconciling liability accounts between the two systems. For inventory parts invoices, the invoices are entered in SAP without producing a check. An interface is then run to import the invoices from SAP to Oracle to make the payment from Oracle.
- Implementation of SAP was rushed because of commitments and no one wanted to push back against the deadline. Taking more time would have allowed for testing variations for different special payroll rules, uniform allowances, etc. Staff would have liked a more systematic way to reduce risk. At SAP rollout, issues came up that had to be handled as they occurred. METRO still requires assistance with SAP from consultants.
- The learning curve on the new SAP system was notable.
- Historical payroll information that is more than two years old remains in Banner (METRO's system prior to SAP); it was not moved to SAP and old data was not cleaned up.
- A number of comments concern Payroll:
 - METRO has multiple pay rules for different employee sub groups. There are approximately 3,700 employees, nine employee sub groups, over 150 attendance codes, and 600 user wage types and technical wage types in SAP Payroll system. There is also daily overtime, weekly overtime, and nine holidays with different pay rules among holidays for different employee sub groups that causes more complications for system configuration.
 - Different people interpret the union Labor Agreement differently. Very often, Payroll is authorized to pay differently from the way the system is set up to pay union employees.
 - Processing exceptions/unique requirements in Labor Agreements (e.g., paying vacation in advance) impact Payroll and may require manual adjustments to the payroll.
 - In Payroll, handling terminations and setting up deductions are challenging. Checks are processed based on system set-ups, which may not be done correctly or may require changes. Set-ups are done by the Department of HR but payments are made by Payroll in the Accounting Division. Staff report good communication between the groups.
 - If changes to time reporting are identified (e.g., change in hours, overtime pay), retroactive changes must be made to correct past paychecks. Analyzing these results takes time and it is now harder to answer payroll questions (like "Did I get paid?") than it was under the old Banner system.
- Petty cash was a problem but is better now because fewer people handle petty cash and they understand the guidelines better. There is also less petty cash outstanding.
- When METRO receives goods, a 3-way match is made with the receipt, the invoice, and the purchase order. With the 3-way match process, it is necessary to have paperwork to make payments, and the paperwork can get caught in the routing process and delayed when vendor invoices are not received.
- Several comments pertain to reductions in staffing levels and increases in responsibilities, such as new audit requirements and assignments, payroll challenges, accounting and financial reporting processes, providing training and analyses for staff in other departments, responding to questions about the on-line check registry (part of METRO's push for transparency), preparation of documents such as the CAFR and

management of NTD, single audits, and financial audits that were that were previously prepared by consultants and managed by Treasury Services, as well as perceptions that Accounting Division salaries and grades are too low.

2.1.5 Performance from Customer Perspective

The customers of the Accounting Division are the public, general employees for Payroll, METRO's Board of Directors (Board), vendors, internal auditors, external auditors, oversight agencies, creditors, vendors for purchasing cards (Pcards), other METRO departments for payments, contracts for procurement, and service delivery. Representatives of user departments discussed the Accounting Division's performance with the audit team and, collectively, made the following observations:

- These customers generally agreed that Accounting staff are responsive and professional, and that it is easy to work with them. They describe Accounting staff as knowledgeable and effective, providing information in a timely manner, paying attention to detail and following-up to get issues corrected.
- The same customers said that Accounting's biggest challenges are the number of systems with which they must work (budget, payroll, accounting and inventory are in different systems) and the financial applications in Oracle are old, outdated and unsupported. Some customers noted that the lack of support and integration among systems (e.g., SAP for payroll and Oracle for accounting) creates extra work when tasks must be performed manually because they are not supported in the system or systems do not interface well.
- Generally speaking, invoice status data is available to everyone. Some users noted that the monthly GL is run before preliminary monthly reports come out so variances can be tracked early. Others commented that there are timing issues on when data is available to users and when they need to respond to questions about budget variances.
- Users also commented that there is a need for an assessment of a firm's financial capability to undertake a project for METRO (e.g., Dun & Bradstreet rating). Accounting Division staff observed that it is Procurement's responsibility to make this determination.

2.1.6 Findings: Accounting Division

The Accounting Division has clearly succeeded in establishing strong and effective relationships with customers, who are uniformly appreciative of the support they receive from Accounting. The major challenges that Accounting faces are systems related, in large part because METRO relies on two ERP systems: SAP and Oracle. These systems "stand alone" and do not function as a single comprehensive system. Accounting depends on Oracle for financial systems, but METRO's Oracle system is 11 years old and is no longer supported. The stand alone systems create some inefficiencies, duplications of effort, and manual processes and interfaces between the two systems. For example:

- Bus parts and vendors are in SAP; other vendors are in Oracle. For inventory parts, invoices are entered in SAP and an interface is run to extract the invoices into Oracle to make payment.
- Accruals are handled differently in SAP and Oracle, resulting for example in needing to reconcile liability accounts between the two systems.
- Manual processes are required to modify SAP to take Roth 457 retirement account after-tax deductions
- Advance vacation pay requirements in the collective bargaining agreement require manual payroll adjustments.

Process redesign and/or automation of currently-manual processes such as these offer opportunities to increase efficiency and productivity.

Other systems-related challenges may be addressed by additional communication with other departments and staff:

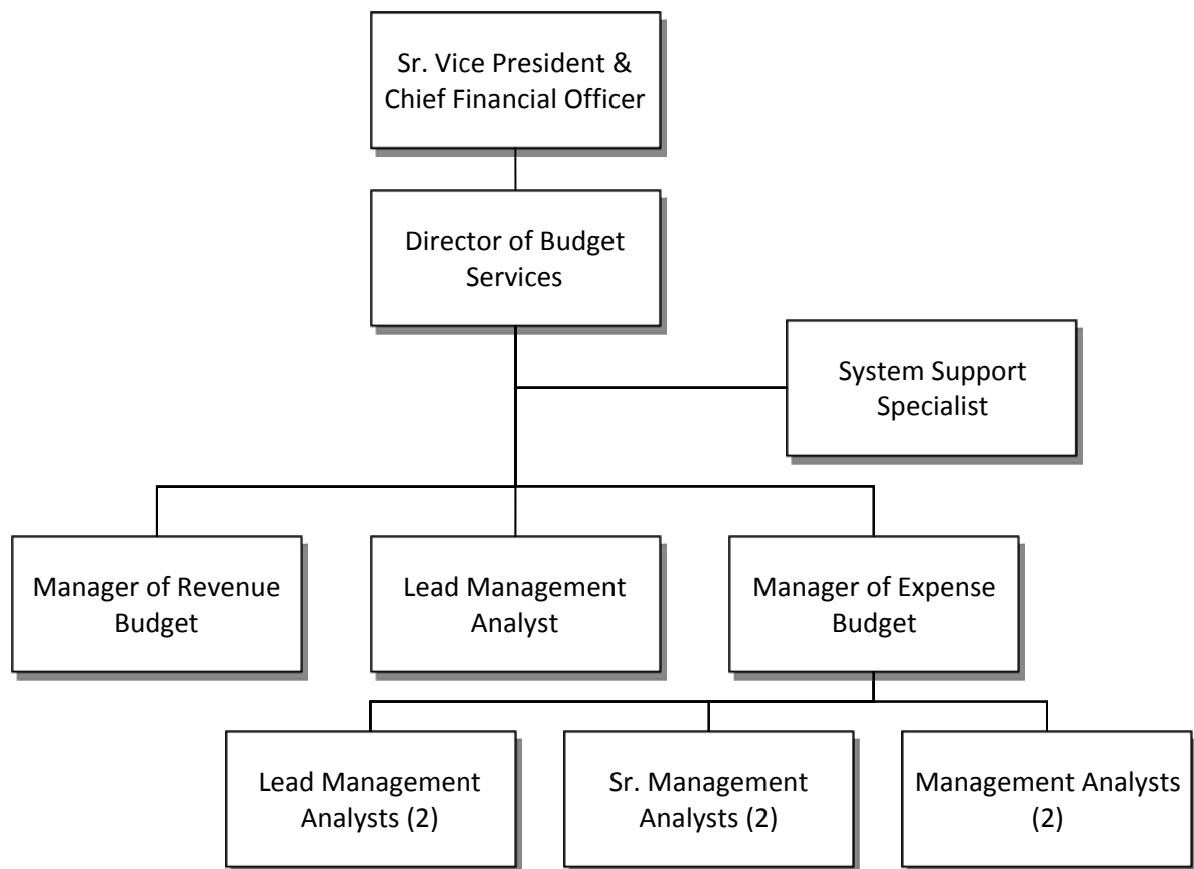
- Vendors communicate with AP regarding invoice status and payment issues. AP routes inquiries to the proper METRO staff, often the Office of Small Business. To assist in meeting invoice payment targets, it may be helpful for the Accounting Division to initiate discussions with Procurement and the Office of Small Business to ensure that small businesses have the information they need to submit invoices correctly and avoid delays in processing and payment. This strategy should help ensure that invoices are submitted properly so they are not rejected and payments are not delayed.
- METRO uses a 3-way match process that reconciles receipts for inventory items, invoices, and purchase orders prior to making payment. Parts are sent to the warehouse and received into SAP. Receipts are input and matched to purchase orders so payment can be made. Mismatches can occur in any part of that process (e.g., between what the vendor says they delivered per their invoice and what the warehouse says per the receipt). Need better verification of what is delivered to the warehouse. AP staff expressed some frustration about the 3-way match process and resulting delays in invoice approvals and payments. Other transit agencies have addressed similar match issues by creating task forces to review mismatches and identify major causes and solutions for addressing them.
- Since payroll migrated from Banner to SAP, METRO's time reporting process has not required salaried employees to record time or obtain a supervisor's approval for timesheets. With SAP, employees are paid straight time automatically (Time Sheet by Exception). This approach has caused time sheet errors due to employee errors in recording time, requiring manual timesheet corrections every pay period. SAP payroll includes a timesheet approval functionality, Manager Self Service (MSS), that can minimize or eliminate errors like these. Alternatively, timesheet errors can be minimized by switching from Time Sheet by Exception (employees only record paid time off) to Positive Time Sheet (employees must record all time worked and paid time off). The Department of IT and the Payroll should review options like these with the objective of minimizing time sheet errors.
- Some customers would like to reduce reliance on paper reports but noted that access to Oracle for reporting is limited. Specifically, there are licensing issues with Oracle and access rights that IT is working to mitigate. The CIO commented that Oracle licenses have become very expensive and IT is reluctant to invest in more licenses, especially if IT moves toward an ERP system.

2.2 Budget Services Division

2.2.1 Overview and Organizational Structure

The Budget Services Division reports to the Sr. Vice President & CFO for METRO. Figure 4 shows the current organization of the 11 staff positions in Budget Services that were budgeted and filled as of October 1, 2012. The Budget Services Division is led by the Director of Budget Services.

FIGURE 4
Budget Services Division Organization Chart



2.2.2 Responsibilities and Products

The Budget Services Division is responsible for working with METRO departments to develop and monitor METRO's annual budget. The Division uses the COGNOS system for budgeting. The draft budget is reviewed internally and presented to the METRO Board for review and approval. Once the budget is adopted, the Budget Services Division monitors budget expenditures and works with user departments to resolve budget variances and/or explain such variances on a monthly basis. The Budget Services Division processes user departments' Budget Change Requests (BCRs) monthly. BCRs are currently processed in Oracle in a SharePoint format but earlier in the audit period, the BCRs were processed manually. The BCR forms are available online with step-by-step instructions and training seminars are routinely given on how to prepare BCRs.

The Budget Services Division provides monthly and quarterly reports on budget status and prepared detailed five year cash flows and projections to 2025. The Division also reviews Advanced Procurement Planning (APP) to ensure there is adequate funding in the budget and transfers funds between line items if necessary to support procurements.

Until two years ago, the Office of Management and Budget (OMB), the predecessor of the Budget Services Division, provided central oversight and management of the budget and approved all budget-related actions. With

the change from OMB to Budget Services, individual departments are responsible for their own budgets. The Budget Services Division identifies any departments that are exceeding their budgets, but the departments are responsible for taking appropriate actions.

The budget also authorizes annual headcount by position and user departments must remain within the authorized headcounts and salary ranges. The Budget Services Division publishes a monthly vacancy report and monitors any changes to ensure the changes are sustainable.

The Budget Services Division gathers performance indicators for user departments, prepares reporting templates, and coordinates with user departments as required to ensure the performance reports are completed. The Budget Services Division reviews the draft performance data and asks questions if the metrics don't appear correct. The Director of Budget Services circulates the draft report internally and then submits it to the Executive team when it is complete. This internal coordination was instituted to improve the quality of the monthly reports.

2.2.3 Performance over the Audit Period

In August 2012, the Budget Services Division conducted a Satisfaction Survey as a follow up to the Satisfaction Survey they conducted in June 2011. In total, eighty-one (81) METRO staff responded; 27% of respondents reported they had worked with the Budget Services Division for five years or less, 35% had worked with Budget Services for over five years, and 38% had never worked with Budget Services.

The overall perception of the Budget Services Division, as reported in the survey, is "fair to good," with 60% of all respondents saying the Division meets their expectations and 64% of those who have worked with the Division say their expectations were met. This compares with a perceived overall image of "good" in 2011, when 70% of respondents said the Division met their expectations. Survey respondents who work with the Budget Services Division rate the image as "good" more often on average than those who do not interact with the Division. In both years, respondents said overall satisfaction could be improved by increasing satisfaction with response time/efficiency and communications follow up. Although Budget Services has focused more on customer service, half of the respondents who have worked with the Division say that service is about the same.

Additional survey comments were more positive than negative. Recommendations included increasing the interaction between budget analysts and their assigned departments, including assigned departments in pre/post budget planning, inviting key stakeholders to meetings so they can partner with Budget Services for better resolutions, and becoming involved in the day-to-day life of their assigned departments to better understand their business and what is needed to support them and METRO. Another suggestion was to find a better way to communicate (a pamphlet or presentation was suggested) with all METRO employees so they all know about Budget Services and the services they provide. Partly as an outcome of these responses, the Budget Services Division recently implemented cross training and mentoring for Budget Services staff.

The Finance scorecard objectives and measures in Tables 6 and 7 apply to the Budget Services Division. In both FY 2011 and FY 2012, the Budget Services Division met or exceeded their scorecard measures with one exception. In FY 2011, one measure was deferred to FY 2012 and then later eliminated due to other higher priorities.

TABLE 6
Finance Scorecard - FY2011
Budget Services Division

Objective/Measurement	Target/Actual Performance	Status
Working with Service Delivery and Service Planning, review future bus replacements to ensure appropriateness of type and quantity. / Budget Services will work with Service Delivery and Service Design and Development in reviewing bus replacement. (Delayed to FY 12 to take advantage of additional information from consulting firm – bus route re-imagining.)	100%/0%	Higher priorities for Finance kept this measure from being added to the FY 2012 Budget Services scorecard.
Review new project, program and asset addition requests to ensure they are financially sustainable in the future by including life-cycle costs and potential savings. / Budget Services will develop a model for financial sustainability/cost benefit analysis by September 2011.	100%/100%	
Prepare long term capital improvement plan. / Prepare long term capital improvement plan.	100%/100%	On target or better. No concerns.
Enhance Finance employee awareness of surroundings and safe practices. / Develop a handbook on safe practices for Finance by 3rd quarter FY 2011.	100%/100%	
Assist departments in exercising aggressive cost control of FY 2011 budget to ensure Authority expenses come under budget. / Identify \$ 1 million in capital or operating cost avoidance through budgetary control and suggested budget redeployment or savings without detracting from the seven operating principles.	\$1 million savings/\$10.5 million savings	Achieved above and beyond expectations.

Source: METRO Finance Scorecard – FY 2011

TABLE 7
Finance Scorecard - FY2012
Budget Services Division

Objective/Measurement	Target/Actual Performance	Status
Ensure most efficient and cost effective utilization of METRO assets. / During initial year of HOT lanes conversion, manage operations budgets to minimize expenditures and maximize collections in first year of operation. By 4th quarter: operating expenditures less than \$5 million. annual toll revenues of \$1 million.	Operating less than \$5 million & toll revenues of \$1 million / Operating \$2.4 million & toll revenues of \$0.5 million	Operating On target or better. No concerns. Toll revenues enough off target to be concerned. – more than 10% NOTE: This measure is shared with the CFO and Treasury Services Division.
Update five year cash flow projections. / Update the five year cash flow projections by the 4th quarter.	100%/100%	On target or better. No concerns.
Update the five year capital improvement plan. / Working with SLC, update capital requests in the 3rd quarter; prioritize FY 2013 requests by August 2012; update five year plan by September 2012.	100%/100%	On target or better. No concerns.
Give the highest priority to safety related activities when allocating funds for programs and projects. / Evaluate capital requests with safety being the highest priority.	100%/100%	On target or better. No concerns.
Assist departments in exercising aggressive cost control of FY 2012 budgets to ensure Authority wide expenses come under budget. / Identify \$ 1 million in capital or operating cost avoidance through budgetary control and suggested budget redeployment or savings without detracting from the seven operating principles.	\$1 million in savings/ \$4.6 million in savings	Achieved above and beyond expectations

Objective/Measurement	Target/Actual Performance	Status
Institute a culture of thrift throughout METRO. / Directly communicate budget information to each department monthly in the 1st through 4th quarters; Institute a thrift program in 2nd quarter; Develop recognition for thrift in 3rd quarter.	100%/100%	On target or better. No concerns.

Source: METRO Finance Scorecard – FY 2012

2.2.4 Performance from Staff Perspective

Two members of the Budget Services Division were interviewed as part of this audit; a third staff member was interviewed as an IT user. Their comments on the Division's audit period **accomplishments** are highlighted here:

- Restructured the Division to assume a more customer-friendly approach to budget development and monitoring and performance and variance reporting
- Developed an integrated budget that includes both operating and capital (5-year) budgets and that includes performance indicators
- Reinforced the importance of transparency for the budget and the budget process
- Provided access for the public, via the internet, to monthly and quarterly budget data
- Improved the budget document and budget monitoring by using scorecards to discuss the budget on a quarterly basis with senior agency management; provided on-time monthly Board reporting
- Won a Government Finance Officers Association (GFOA) award, the highest form of recognition in governmental budgeting, for the FY 2011 budget.

These and other performance highlights articulated by Accounting Division staff, including both accomplishments and challenges, are summarized below:

Audit Period Highlights: Budget Services

Accomplishments

- Customer-friendly, service-oriented approach to budget responsibilities
- Responsive to customer needs
- More useful, integrated operating and capital budget, including performance indicators
- Transparency in budget process as well as in making financial information available to the public

Challenges

- Need improved communications, with more time for user departments to respond to Budget Services' requests
- Need cross-training, mentoring, and better understanding of customer needs

As part of the budget process, the Budget Services Division issued a kick-off letter for each budget process except FY 2012, when the letter was eliminated as part of overall efficiency efforts. In the subsequent budget process debriefing, it was determined that the kick-off letter is a necessary communication and the letter was issued again for the FY 2013 budget.

Budget Services Division staff identified **challenges and barriers** that they faced during the audit period. They include:

- Previously user departments were assigned different Budget Services staff for the capital budget and for the operating budget. A recent reorganization, after the end of the audit period, restructured staff to work in teams with a primary and a secondary analyst dedicated to work with user department budget analysts on both the capital and operating budgets. Although this reorganization addresses some of the concerns expressed in the FY 2012 Satisfaction Survey, the new arrangement has created a “learning curve” for the Budget Services staff.
- Budget Services absorbed a new budget responsibility from the Treasury Services Division that distinguishes between revenues and expenses (not capital and operating which is typical of transit budgeting and is how METRO’s primary budget is organized). A Budget Services staff member is working to master this new responsibility.
- The new Cognos budget system and the Oracle financial system software upgrade (to include capital budgeting) have been implemented, but there are access issues while the Windows system upgrade is underway.
- The Budget Services Division continues to be one of the groups affected by the challenges of maintaining the 11-year old Oracle system.

2.2.5 Performance from Customer Perspective

The customers of the Budget Services Division are primarily the public, METRO’s Board, and the METRO user departments that the Budget Services Division assists in preparing, monitoring, and modifying their budgets. Some of them provided comments on the Budget Services Division that mirror the challenges the Budget Services Division has faced and the solutions it has implemented:

- Several comments reflect user departments’ concerns about communications and understanding of user departments’ businesses:
 - The Budget Services Division does not always communicate well with user departments, particularly about budget changes. It can also be confusing to get communications about the budget from different parts of the Authority.
 - Requests for information from the Budget Services Division are often short notice with short response times
 - While the Budget Services Division staff generally have an “open door” for dialogue and listen to their customers, they may not have a full understanding of their customer’s needs.
- On the other hand, several customers had positive things to say about recent improvements in the budget function:
 - Several customers noted that the Budget Services Division staff are knowledgeable and are able to show user department staff how to do things (e.g., prepare BCRs). Budget Services staff have also shown an interest in other departments’ work and have come to METRO work locations outside headquarters to learn user’s business.
 - The Budget Services Division is much more helpful than the old OMB. Staff are more congenial and responsive and have established relationships with user departments that are productive. Responsibilities of the Budget Services Division are now more focused on monitoring budgets – and letting department heads manage their budgets and allocate resources.
 - But there are still mixed reviews. Some users noted that while OMB delayed expenditures to control costs, the Budget Services Division understands that plans change during the course of the year and user departments need to move budgets between line items to meet operational needs. Other

customers commented that the Budget Services Division needs to understand planning versus reality and how the economy, weather, and downtown events can all impact planned services and expenses.

- There are also some frustrations around the APP and why Budget Services must approve procurements that are already identified in the APP and the user department's budget. Some customers suggested that there are too many approvers and the approval process takes too long and causes delays to procurements.

2.2.6 Findings: Budget Services Division

Over the last two years, the Budget Services Division has been restructured to move away from the old OMB model and to become more customer-friendly. Staff work in teams to support user department needs for both operations and capital programs and to provide the cross training and mentoring that new staff need. In some cases, users noted that the Budget Services Division staff are interested, knowledgeable, well versed in what METRO does, and helpful; in other cases, they recognize that there is a "learning curve" for new staff but expressed frustration that the level of expertise among Budget Services Division staff has declined and that they may not be sufficiently familiar with the services provided by other departments and with "what happens in the field". Given the relatively recent transition from OMB to Budget Services, the mixed reviews are not surprising. The Budget Services Division staff are still learning – and customers are still adjusting to the new roles, responsibilities and styles. While staying the course and continuing to work on improved understanding and communication is likely to bring more customers around, OMB's schedules and response times may be too tight when users complain that they are being asked to explain data (e.g., budget variances) that they have not yet seen. However, it is also noted that the Accounting Division has made variance reports available more rapidly and provides assistance to user departments to help them evaluate variances.

Some opportunities for improved communications were identified. For example, some customers commented that the BCR process could be improved by making it available on-line. Others observed that the Cognos budgeting system is only open one month per year so it cannot be used to run budget or trend analysis. In fact, the BCR process and guidelines for using it are available on-line. Access to the Cognos budgeting system is available throughout the budget year – and Oracle Financials provides budget variance analyses on a monthly, quarterly, and year-to-date basis. Again, it is likely that continued, on-going and regular contact between Budget Services analysts and their counterparts in user departments, along with a willingness to show and teach users where to find information, will go a long way towards ameliorating concerns like these.

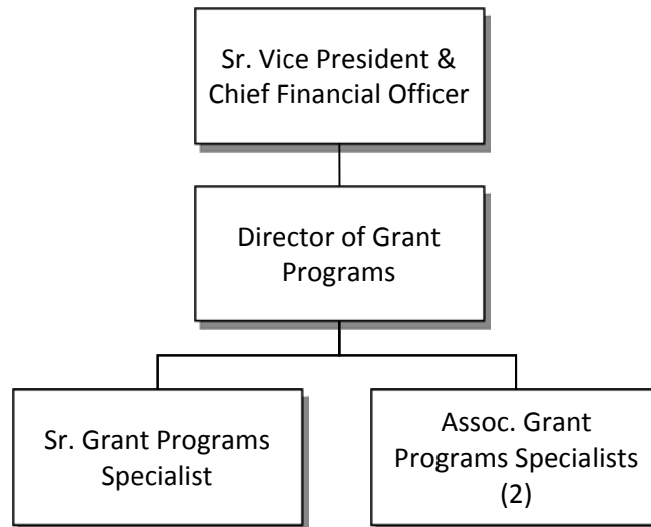
The Budget Services Division should continue to work diligently to maintain regular communications with their customers and to work with their customers, in the field when appropriate, to ensure that Budget Services Division analysts have a thorough understanding of their customers' day-to-day business and the challenges they face in delivering those services. In the long run, the new Budget Services customer-focused orientation supports an approach that teams Budget Services analysts with their user department counterparts to problem solve and allocate and expend resources efficiently and effectively.

2.3 Grant Programs Division

2.3.1 Overview and Organizational Structure

Grant Programs reports to METRO'S Sr. Vice President & CFO. Figure 5 shows the current organization of the four positions in the Grant Programs Division. All positions were budgeted and filled as of October 1, 2012. The Grant Program Division is led by the Director of Grant Programs.

FIGURE 5
Grant Programs Division Organization Chart



2.3.2 Responsibilities and Products

The Grant Programs Division manages (including billing), tracks and reports on a number of different types of FTA grants including FFGAs, Urbanized Area Formula Grant Program (Section 5307), Job Access and Reverse Commute Program (JARC), New Freedom, SOGR, discretionary grants for bus facilities, and American Recovery and Reinvestment Act (ARRA). The Grant Programs Division also coordinates with sub-recipients of FTA grants including Harris County and Fort Bend County. The Grants Program Division's grant reporting responsibilities include financial data and milestone updates.

The Grant Programs Division is also responsible for submitting reports to the FTA for the NTD, which was established by Congress to be the primary source for information and statistics for U.S. transit systems. The Division develops, consolidates and reports NTD data to the FTA using a series of automated forms. Some reports are prepared and submitted annually; others require monthly reporting. NTD reporting includes financial (capital and operating, and revenue and expense) data and operating statistics. The Division works with METRO staff in other departments (e.g., Accounting, Capital Programs, Service Design and Development, Service Delivery) to compile data for which they are responsible. The Grant Programs Division also works annually with external auditors to ensure compliance with NTD reporting requirements.

The Grant Programs Division is also the key point of contact for FTA's Triennial Reviews and is involved in other FTA compliance reviews. The Triennial Review assesses how recipients of FTA Urbanized Area Formula Grant Program funds comply with statutory and administrative requirements in twenty-four (24) areas.¹ The Triennial Review that was conducted in 2012 resulted in no findings – an extremely positive result for METRO.

¹ The 24 areas in which compliance is assessed during a Triennial Review are: Legal, Financial, Technical, Satisfactory Continuing Control, Maintenance, Procurement, Disadvantaged Business Enterprise, Buy America, Debarment and Suspension, Lobbying, Planning/Program of Projects, Title VI, Public Comment on Fare and Service Changes, Half Fare, Americans with Disabilities Act, Charter Bus, School Bus, National Transit Database, Safety and Security, Drug-Free Workplace, Drug and Alcohol Program, Equal Employment Opportunity, ITS Architecture, American Recovery and Reinvestment Act (ARRA).

2.3.3 Performance over the Audit Period

The Finance scorecard objectives and measures in Tables 8 and 9 apply to the Grant Programs Division. In FY 2011 and FY 2012, the Grant Programs Division met or exceeded its measures.

TABLE 8

Finance Scorecard - FY2011

Grant Programs Division

Objective/Measurement	Target/Actual Performance	Status
Partner with Service Design & Development regarding project funding and inclusion in regional and state plans. / Monitor Houston-Galveston Area Council long range transportation plans; 2nd quarter: Work with Service Design to update FFGA. By 4th quarter, obtain at least one new grant.	100%/100%	On target or better. No concerns.

Source: METRO Finance Scorecard – FY 2011

TABLE 9

Finance Scorecard - FY2012

Grant Programs Division

Objective/Measurement	Target/Actual Performance	Status
Review grants process for improved efficiency and accuracy. / Review at least one area for increased automation resulting in improved efficiency and accuracy.	1 area for increased automation/1 area + 2 additional areas completed	On target or better. No concerns.
Partner with divisions within the agency to secure discretionary grant funding for mission critical projects. / Obtain one new grant in FY 12.	1 new grant award/4 total SOGR grants	Achieved above and beyond expectations

Source: METRO Finance Scorecard – FY 2012

2.3.4 Performance from Staff Perspective

Highlights of the Grant Programs Division, including both accomplishments and challenges, are summarized below:

Audit Period Highlights: Grant Programs

Accomplishments

- Obtained FFGAs from FTA totaling \$900 million for LRT extensions and expansion and successfully collected \$164.4M in backbilling
- Obtained three discretionary SOGR grants from FTA totaling \$25 million
- FTA Triennial Review was completed with no deficiencies
- Automated several key processes for efficiency and accuracy including monthly Letter of Credit and the grants report to Budget Services in advance of budget preparation.

Challenges

- Turnover, need for cross-training
- Information systems challenges, some a result of conversion to SAP

Grant Programs Division staff identified **accomplishments** of the Grant Programs Division during the audit. The two members of the Grant Programs Division staff who were interviewed as part of this audit identified the following **accomplishments** of the Grant Programs Division during the audit period:

- Obtained FFGAs from FTA for \$900 million for the LRT extensions including over \$164.4M in backbilling.
- Obtained three SOGR discretionary grants from FTA for \$25 million, supporting METRO's SOGR initiative.
- Completed the FY 2012 FTA Triennial Review with no deficiencies found by FTA.
- Completed FTA Office of Inspector General audit with no findings.
- Provided accurate and timely financial report submittals to FTA.
- Developed an automated report that lists grants, projects, project numbers, funding total, funding spent and remaining funds to provide to Budget Services in advance of budget preparation. This function was previously done manually.
- Conducted paperless audits and reviews.
- Initiated process to move to electronic records.
- Automated monthly letter of credit.
- Using the intranet to share information with customers and to improve coordination and decision-making.

These staff also identified **challenges and barriers** to the Grant Programs Division during the audit period:

- The staff turnover in this small Division, including the appointment of the Director of Grant Programs who was previously with the Budget Services Division, has resulted in a fresh look at ways to manage METRO's grants program. Staff have found that the Grant Programs Division relies heavily on the use of multiple spreadsheets to track information and that the Access database that is used to maintain information on grants and payments is not as robust as they would like. Grant Programs Division staff also expressed concerns that they are a small staff with some having limited financial skills.
- Staff also noted that FTA requirements have changed considerably and have become more stringent, so staying on top of requirements and maintaining compliance is critical.

- Staff are also navigating challenges with METRO's information systems, which include working with the outdated and unsupported Oracle system, changes to an organization's account codes introduced by the move to SAP, working with EAM and SOGR systems that are not part of SAP.

2.3.5 Performance from Customer Perspective

The customers of the Grant Programs Division are the public, all METRO departments that provide data or compliance information for the grant management and NTD reporting, METRO's Board, the Budget Services Division, internal and external auditors, oversight agencies including the FTA and its Program Management Oversight Consultant (PMOC), and sub-recipients of FTA grants.

Most interviewees did not work directly with the Grant Programs Division so limited feedback on their performance was received from customers. Those who have worked with the Grant Programs Division said that their interactions with Division staff are good and that staff are proactive, methodical and helpful.

Customer comments mirror staff concerns. That is, staff are new and don't have the experience of their predecessors, but are open to learning and have done a good job of getting up to speed even without knowing the entire history of each grant. Customers also recognize that there are challenges with timeframes for getting information and closing out grants, and that at times it is difficult to meet state deadlines and unrealistic timelines.

2.3.6 Findings: Grant Programs Division

Overall, the staff in the Grant Programs Division are performing their responsibilities and supporting METRO's grants program effectively. As the Triennial Review demonstrated, METRO is in compliance with federal regulatory requirements that apply to grant recipients, including NTD reporting. The Division's scorecard objectives and measurements recognize the areas where improvements are needed: improving efficiency and accuracy in grants processes (including opportunities for increased automation) and securing funding for METRO initiatives, such as the three SOGR grants METRO was awarded by the FTA.

The opportunities to continue to improve the Grant Programs Division's effectiveness include working with the Department of IT to address information systems needs to automate grants functions, such as quarterly grants reporting and migrating the Access database information on grants and payments to an enterprise system.

In addition, past experience and the specialized nature of grants management suggest the importance of succession planning for knowledge transfer and cross-training, and the need for staff with a wider cross section of skill sets at the associate level as well as a broader spectrum of skill sets and position levels in the division.

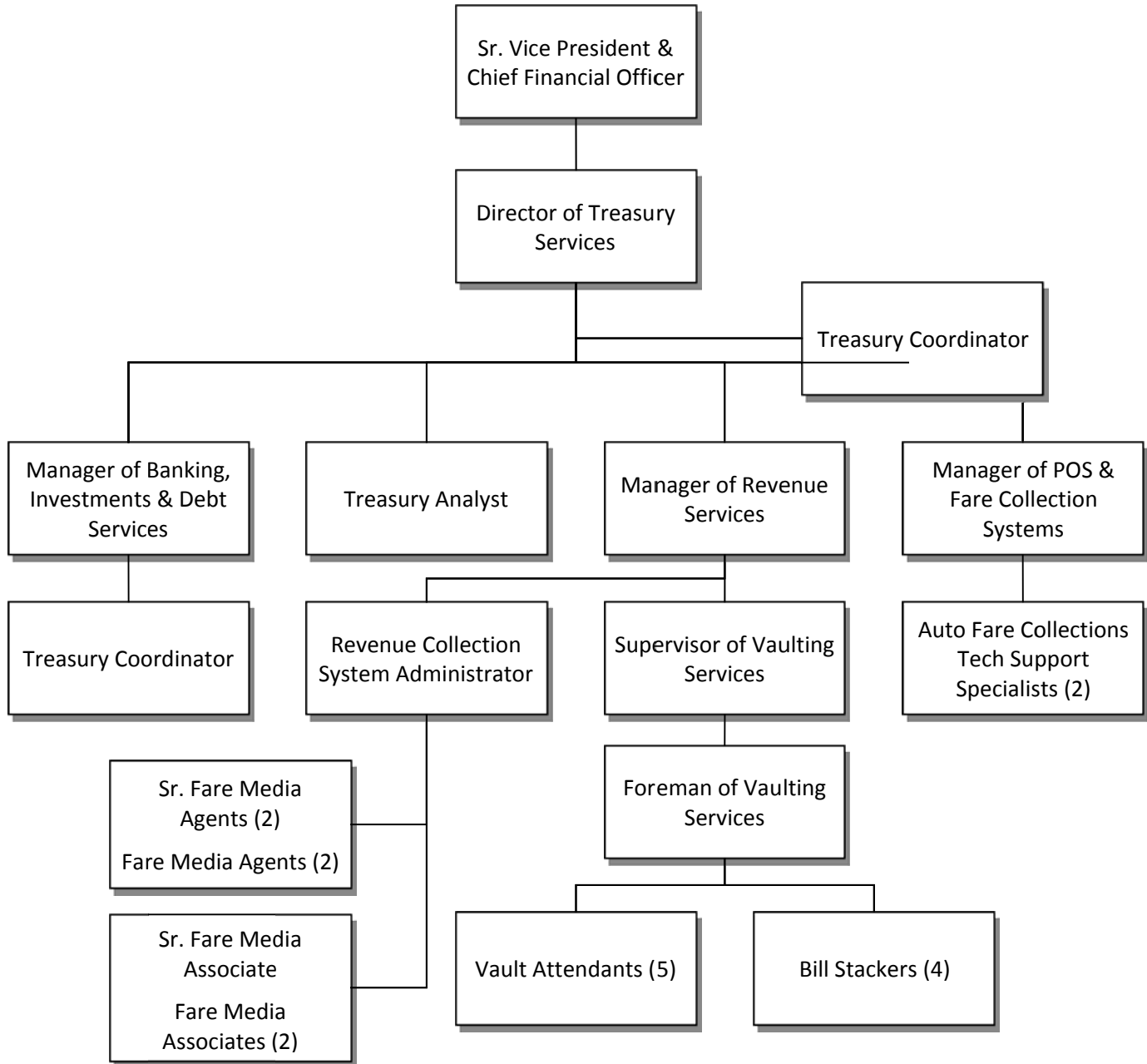
2.4 Treasury Services Division

2.4.1 Overview and Organizational Structure

The Treasury Services Division reports to the Sr. Vice President & CFO for METRO. Figure 6 shows the current organization of the twenty-eight (28) budgeted positions in the Treasury Services Division. As of October 1, 2012, there were two vacancies among the 28 total positions. The Treasury Services Division is led by the Director of Treasury Services.

FIGURE 6

Treasury Services Division Organizational Chart



2.4.2 Responsibilities and Products

The Treasury Services Division has four main functions: investment banking and debt service, administration of the pension fund and welfare trust fund, fare revenue collection, and systems management of point of sale (POS) devices.

Investment banking and debt service includes all day to day banking activities. These staff process all checks to vendors and employees and conduct all investment management and debt service requirements. Staff must manage cash flows in accordance with Texas requirements for public funds and minimize idle cash. In addition, they must comply with covenants of bond issuances to maintain METRO's tax exempt status and file reports with the Internal Revenue Service (IRS).

The Treasury Services Division manages the smart card contract (METRO Q[®] Fare Card) that began in 2008. The vendor is Affiliated Computer Services (ACS), however METRO is bringing that support back in-house to reduce costs. The Treasury Services Division is tasked with insuring that all data is accurate for all user groups within and outside the Department of Finance. The Treasury Services Division works with electronic maintenance in the field to get data if necessary.

The Treasury Services Division collects, processes, and deposits daily all revenue for bus, rail, parking, and special events (e.g., Rodeo, sports events) that goes into the GL system. The Treasury Services Division collects money with its armored trucks at six garages from METRO's 1,300 buses. The Treasury Services Division provides service to the Ticket Vending Machines (TVMs) and picks up the cash. METRO has Back of Bus Reloaders (BBRs) on 750 to 800 buses to load cash on METRO Q[®] Fare Cards and the Treasury Services Division picks up that money twice a week.

The Treasury Services Division is responsible for fare media and fare revenue. All fare media was in the Department of Finance prior to 2008, but that changed with the adoption of the METRO Q[®] Fare Card. The Treasury Services Division must maintain an adequate supply of cards and fare media for special events, including corporate accounts and retail fare media such as transit passes purchased through employers. METRO has 250 retail outlets that sell fare media and add value to METRO Q[®] Fare Cards and they are integrated into METRO's financial system.

The Treasury Services Division administers METRO's Non-Union Pension Plan and Trust. In 2012, the pension plan became a defined contribution plan. The Treasury Services Division prepares pension calculations, financial statements for the Transport Workers Union Health and Welfare Trust for union benefits, monthly sales tax reports and all tax reporting. For new employees and transfers, the Treasury Services Division handles their moves between pension plans. The Treasury Services Division provides information to Benefits, Pension & Wellness in the Department of HR twice a week.

2.4.3 Performance over the Audit Period

The Finance scorecard objectives and measures in Tables 10 and 11 apply to the Treasury Services Division. In FY 2011 and 2012, the Treasury Services Division met or exceeded its measures. Since the system was newly developed in FY 2011, the status indicators portion of the quarterly reports showing how each measure is trending was not fully developed, so in some cases no information was included in that section of the scorecard.

TABLE 10
Finance Scorecard - FY2011
Treasury Services Division

Objective/Measurement	Target/Actual Performance	Status
Work with bond counsel, underwriters and Capital Projects to secure required financing for METRO Rail Expansion. / 1st quarter: Issues Request for Qualifications (RFQs) for underwriters and attorneys. 2nd quarter: Select participants; use commercial paper for funding needs. 3rd quarter (was 2nd quarter): Prepare documents and issue commercial paper. 4th quarter: Issue bonds. (Process rescheduled due to slower spending and to benefit from low commercial paper rates.)	100%/100%	Achieved above and beyond expectations (NOTE: This measure also applies to the CFO.)
Review METRO Q® Fare Card operations and costs to identify opportunity for cost control and improvements. / Bring forth cost control initiatives for METRO METRO Q® Fare Card beginning first quarter FY 2011.	100%/100%	

Source: METRO Finance Scorecard – FY 2011

TABLE 11
Finance Scorecard - FY2012
Treasury Services Division

Objective/Measurement	Target/Actual Performance	Status
Renegotiate the scope of services in the ACS contract to bring more activities in house and purchase only required services & supplies to achieve a net cost savings to METRO of \$500,000 for the year. /Modify current contract to reduce costs and improve efficiencies. Renegotiate contract by 2nd quarter; Secure annual net savings of \$500,000 for METRO by 4th quarter.	\$500,000 annual net savings/\$600,000 annual net savings	On target or better. No concerns.

Source: METRO Finance Scorecard – FY 2012

In addition to the performance scorecard, the Treasury Services Division contributes to two of the METRO performance indicators under Section 451.454 of the Texas Transportation Code that requires that transit operators undergo a performance audit every four years to assess compliance with the reporting of nine performance indicators. These indicators are addressed in more detail in the Task 2 Performance Indicators report. The Treasury Services Division is involved in the sales and use tax receipts and fare revenue performance indicators:

- **Sales and use tax receipts:** The Treasury Services Division reports sales and use tax receipts and fare revenue. Wells Fargo Bank is used as an independent trustee. Sales and use tax revenues are sent by the State of Texas to Wells Fargo to pay debt service first; remaining funds are paid by Wells Fargo to METRO. The debt service is based on the pledge to back METRO's bond issuances. The information is reported from the Treasury Services and Accounting Divisions to the Budget Services Division to support the monthly report to the Board.
- **Fare Revenue:** Fare revenue is booked monthly including electronic METRO Q® Fare Card taps. The data is stored in two places: ACS collects data on central servers and it is also sent to the Manager POS & Fare Collection within the Treasury Services Division for reporting. There are about 30 routine reports and the data can be sliced differently. The information is in hard copy and electronically in financial records. The information is reported to the Budget Services Division. Hard currency is collected by the Treasury Services Division. Fare enforcement is provided by METRO's Police Department. Boarding counts from the automatic passenger counters are prepared by the Department of Service Delivery.

2.4.4 Performance from Staff Perspective

Six (6) members of the Treasury Services Division staff were interviewed as part of this audit.

Highlights of audit period **accomplishments** include successful bond issues to support LRT development and buy new buses and maintaining the reliability of the fare collection system. The staff has successfully maintained METRO's compliance with various federal and state requirements. The staff has also started reducing their dependence on an outside vendor to support the fare collection system and this change has saved money for METRO. The staff cite a high level of cooperation with other METRO Divisions to get employees and vendors paid accurately and timely.

These and other performance highlights articulated by Treasury Services Division staff, including both accomplishments and challenges, are summarized below:

Audit Period Highlights: Treasury Services

Accomplishments

- Completed two major bond issues to support LRT implementation
- Financed 125 vehicles (\$60M) and another 90 vehicles (\$45M)
- Reduced dependence on ACS and reduced costs by \$600,000

Challenges

- Migrating ACS fare collection system servers to Houston
- Distribution of responsibilities due to elimination of sales tax/pension manager position
- Conversion to SAP system

Treasury Services Division staff identified **accomplishments** of the Treasury Services Division during the audit period including:

- Completed two major bond issuances to complete expansion of two LRT lines based on the first referendum in 2003. There was no added bond capacity in the 2012 referendum.

- Moved METRO from a voluntary direct deposit to a mandatory direct deposit for all employees. Those employees without banking accounts went to an electronic pay card system. This change all but eliminated negotiable document payments. This practice has significantly improved the efficiency of the payroll process.
- METRO financed 125 vehicles (\$60M) and another 90 vehicles (\$45M) in accordance with its policy to replace about 10% of the fleet annually. Two years of rolling stock replacement can be combined into one issuance with an event such as a manufacturer change. Through 2014/2015, METRO will finance annual fleet replacements.
- Fare system outages were minimized in the last year and the system is more reliable. METRO reduced the contract with ACS by \$1.6 million and will reduce it another \$750,000 when central servers are transferred.
- METRO is reconciling BBR reports and revenue daily. Previously it was done by private contractors. METRO took over the contract 6 months early. METRO procured new money counting machines that are the same as those used by the Federal Reserve. These machines are tied electronically to the network so the machines do the count and the data is transmitted electronically. METRO does a variance analysis and provides any questions to the Treasury Division's Fare Collection Systems staff so the data is essentially audited daily.
- METRO changed the way it booked revenue with the electronic fare collection card (METRO Q® Fare Card) starting on October 1, 2011. Loading funds on the METRO Q® Fare Card is initially booked to deferred revenue. The deferred revenue is then reclassified to current revenue each time the METRO Q® Fare Card is tapped. The Treasury Services Division hired IT staff that could develop a method to identify the number of taps so revenue could be booked this way. METRO Q® Fare Card and METROLift have paper tickets that are booked as current period revenue.
- METRO converted to SAP in Payroll. There are more problems than previously and the system continues to require tweaking.

These staff identified **challenges and barriers** to the Treasury Services Division during the audit period including:

- METRO is migrating the ACS servers from New York to Houston and that task is being managed with internal METRO resources.
- METRO's new SAP system is complicated relative to the prior Banner payroll system. There are challenges associated with the new SAP system, but the benefits are believed to outweigh those challenges.
- METRO's files have to match reports to the 3rd party pension provider. The person in the sales tax/pension manager position retired in October 2011 and the position was eliminated and duties were divided among other staff.

2.4.5 Performance from Customer Perspective

The customers of the Treasury Services Division are METRO employees, users of the system (transit patrons), METRO's Board, and other departments including HR and the Budget Services Division, vendors, METRO Q® Fare Card and fare media retail outlets, and corporate accounts that purchase employee transit passes.

Most interviewees did not work directly with the Treasury Services Division so limited feedback on their performance was received from customers. Among those interviewees who have worked with the Treasury Services Division, the feedback was positive. The Treasury Services team is effective and responsive to requests to verify cash availability in order to process early payments to vendors that will afford discounts to METRO.

2.4.6 Findings: Treasury Services Division

The Treasury Services Division has developed effective relationships and communications with customers and their knowledge of METRO is recognized by others within METRO. Their systems of checks and balances are effective and their processes are well understood. Their procedures are well documented and are reviewed annually per Board policy. Their Banking, Investments and Debt Services staff are retrained every two years as part of the Texas Investment Act.

The major challenges that the Treasury Services Division faces are systems related, both with SAP and with moving their fare collection system support from their current vendor to in-house support as well as the need for new or replacement equipment. In addition, some functions have been split between METRO departments. These challenges also create opportunities for improvement.

METRO should review current functions to ensure they are organized to best meet METRO's needs today and into the future including:

- Some revenue functions were split about four years ago, between the Treasury Services Division and the Department of Service Delivery (e.g., RideStore, vaulters, METRO Q[®] Fare Card Processing Center [QCP]). METRO has an opportunity to review that structure to determine how it is operating and if any changes in responsibilities can improve operations.
- Pension functions are split between the Treasury Services Division and HR and METRO should review this structure to see if the responsibilities should be changed to improve data maintenance and record filing accuracy.

Improvements to systems and equipment should be reviewed including:

- The need for new or replacement revenue equipment including new TVMs, validators, and handheld validators for the police.
- Modifying the system to take the Roth 457 retirement account after-tax deductions automatically. This can be done with SAP but it is currently not part of METRO's SAP system.

In addition, the Treasury Services Division has maintained documents in hard copy that are not saved electronically, especially for older data and information. Improvements to record-keeping and data storage should be considered.

Section 3. Department of Information Technology

In FY 2009, at the beginning of the audit period, the Department of Information Technology (IT) reported directly to METRO's President & CEO. During the audit period, the organization was restructured. The Department of IT currently reports to the Group Vice President of Business Services, who reports to the Chief Administrative Officer (CAO). The CAO, in turn, reports to the President & CEO of METRO.

The Department of IT is led by the Vice President & Chief Information Officer (CIO). There are three Divisions within the Department of IT including Application Support, Infrastructure, and Administration. Figure 7 shows the high level organization of the Department of IT as of October 1, 2012, including IT's 45 budgeted positions. In addition, three contract employees provide help desk support through the IT Support Center. Since the end of the audit period, seven positions that were previously included in the organization chart but held vacant have been restored through the budget process.

During the audit period, the Department of IT implemented a major new Enterprise Resource Planning (ERP) system (SAP), new Trapeze modules and SharePoint, developed and implemented the Information Technology Steering Committee (ITSC), and took steps to initiate a strategic plan, while supporting the information systems needs of one of the largest transit agencies in the country. Based on the results of a review conducted last year for another major U.S. transit agency, METRO's IT organization provides good service levels compared to peer transit agencies.

The ITSC, is comprised of the Vice Presidents who lead METRO's departments, meets monthly and is charged with scoring and ranking IT projects, with the objective of communicating with user departments about IT projects and plans and achieving their buy-in.

The Department of IT recently presented a one year working plan and a four year strategic (working) plan. These plans are intended to provide direction for the Department of IT and information for METRO staff about the agency's information systems. Both plans are essentially project listings that have been vetted by the ITSC. The Department of IT is using SharePoint to track IT projects.

The Department of IT is also planning a Project Management Oversight (PMO) function. The budgeted position was removed before it was filled and the Department of IT is now working on developing PMO functionality within the Department of IT's current headcount. The Department of IT also planned to implement an Enterprise Architecture (EA), but currently does not have adequate staffing to do so.

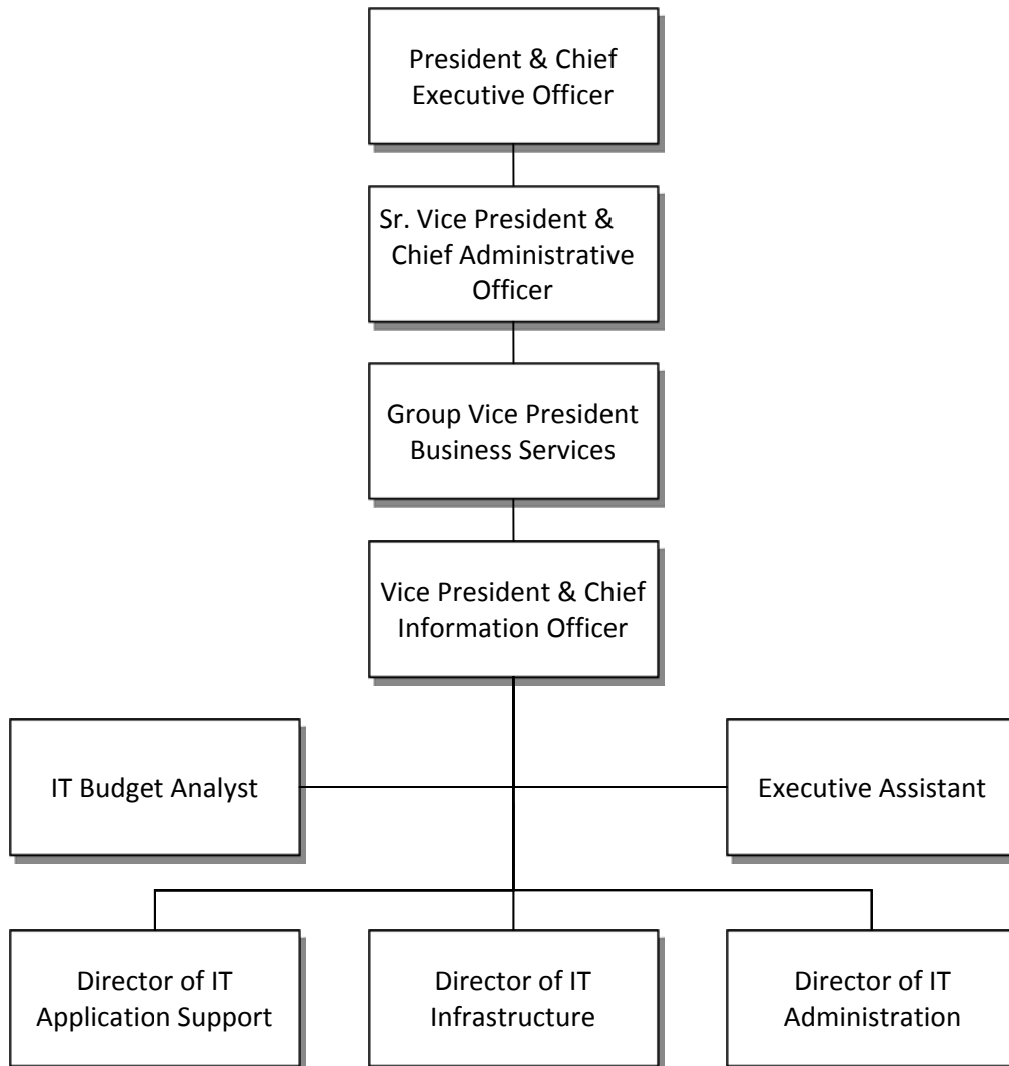
The Department of IT undertook a Satisfaction Survey of METRO staff in February 2011, March 2012 and February 2013. The February 2013 survey was outside of the audit period so the summary herein includes only 2011 and 2012 information as compared to 2013. For the Department of IT and also for the Support Center, the three highest rated service aspects in all three surveys have been: staff friendliness, staff professionalism, and staff knowledge/expertise although the order of the rankings changed in each year. The three lowest ranked service aspects for the Department of IT in all three years response time/efficiency, communications follow-up and overall service experience and again the order of the rankings changed in each year. For the Support Center, the lowest rated aspects in every survey have been communications follow-up, response time/efficiency and either staff knowledge/expertise (in two surveys) or overall service experience (in one survey). Positive changes include:

- An increase from 74% (2011) to 86% (2012) of respondents indicating that the Department of IT has met expectations
- The average rating for overall Department of IT's image increased from 3.31 (2011) to 3.62 (2012)
- An increase from 34% (2011) to 48% (2012) to 53% (third) of respondents strongly agreeing that they know what services are provided by IT.

However, even though satisfaction with the Department of IT is growing, there still continues to be a disconnect between the perceived importance of response time/efficiency and satisfaction with this aspect of service (all three surveys), and other information throughout this report underscores the need/desire for improved timeliness of problem resolution and/or communication from the Department of IT. To again reiterate statements from the first survey, balancing this disconnect by improving perceived response time could improve satisfaction overall. This could be accomplished either by actually improving response time or by improving users' understanding of the time required to meet their needs so they are more satisfied with the responsiveness actually experienced. Additional comments offered by users were both positive and negative with common themes being they don't get follow up from the support desk, the Department of IT is well thought of and provides good support in general, they aren't transparent enough and their support lags a bit in off hours. These survey results are generally consistent with the findings from the interviews conducted for this audit.

FIGURE 7

Department of Information Technology Organizational Chart



Each of the Department of IT's three Divisions is discussed in the rest of this chapter:

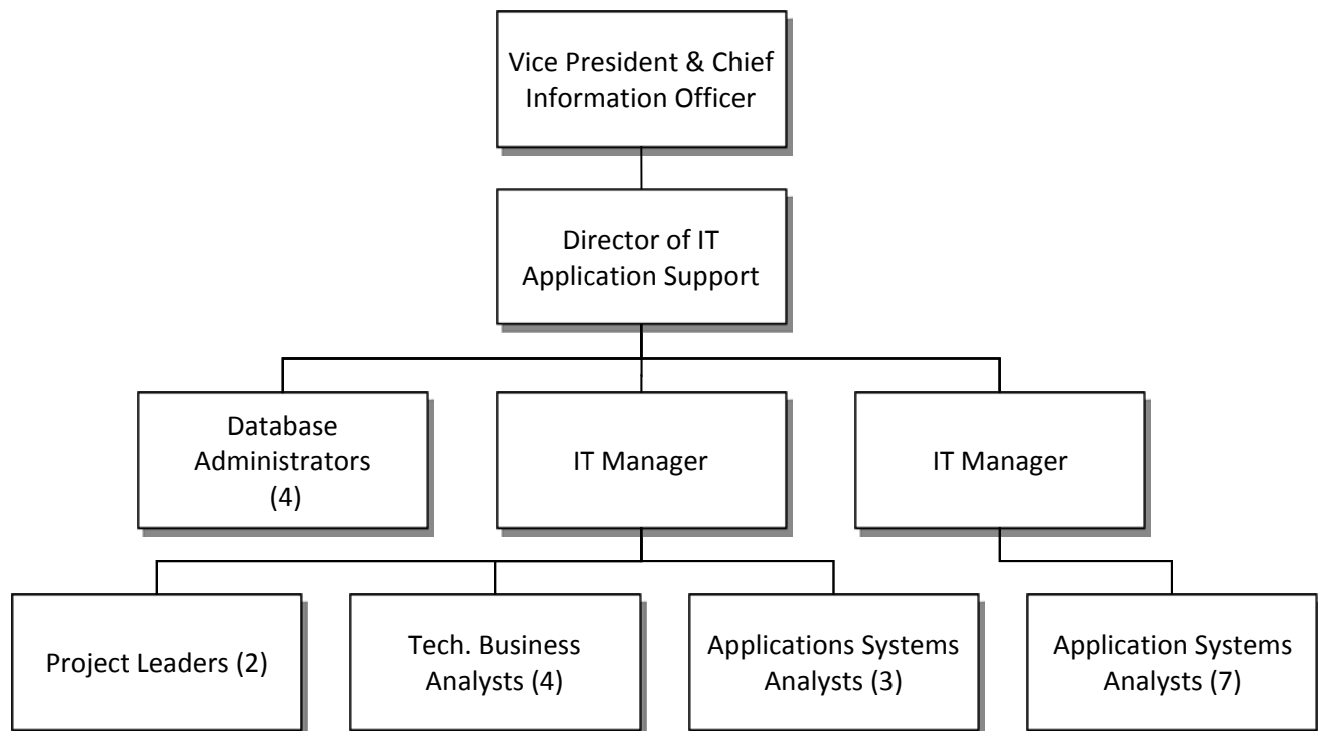
- IT Application Support
- IT Infrastructure
- IT Administration.

3.1 IT Application Support Division

3.1.1 Overview and Organizational Structure

The Application Support Division reports to the Vice President & Chief Information Officer for METRO. Figure 8 below shows the current organization of the 23 budgeted positions in the Application Support Division. As of October 1, 2013, four positions were vacant. The Application Support Division is led by the Director of IT Application Support.

FIGURE 8
IT Application Support Division Organizational Chart



3.1.2 Responsibilities and Products

The IT Application Support Division is responsible for implementing and maintaining business applications, transit applications and the supporting databases. The Division currently supports ten major applications or systems and a total of 240 applications overall. Another Trapeze module, Enterprise Asset Management (EAM), is being added. The customers of the Application Support Division are the departments that use IT applications and systems including Budget Services, Accounting, Treasury, Grants Programs, Service Delivery, HR, the Call Centers, Service Evaluation and Scheduling. The Division's customers also include external customers who use METRO's external IT systems including the METRO Web site. The major applications supported by the Division include:

- **SAP** – ERP system that includes some HR systems and some procurement systems
- **Oracle Financials** – A second ERP system that includes GL and some procurement systems
- **Banner** – Legacy ERP system used for payroll and procurement
- **Cognos** – Budget management tool
- **E-Recruit** – Currently used for job postings but the Department of IT plans to replace E-Recruit with People Fluent for this function
- **SharePoint** – Used for internal HR purposes
- **Trapeze** – Several major applications from Trapeze are used, including:

- Fixed-route scheduling
- METROLift trip planning and dispatch
- EAM is being added
- **Integrated Vehicle Operations Management System (IVOMS)** – INIT (Innovations in Transportation Inc.) software is used for Automatic Vehicle Location (AVL). Computer Aided Dispatch (CAD) is being added in the summer of 2013
- **ArcGIS** – Used for mapping.

3.1.3 Performance over the Audit Period

SAP, a major new ERP system, was implemented in 2010. While SAP was not implemented for all areas of ERP, the project did eliminate 13 interfaces. Additionally, new modules of Trapeze were implemented in 2010. The IT Application Support Division also improved the process by which the Department of IT applies system updates and fixes. The Department of IT was not alerting end users when updates and/or fixes were being scheduled and users were unable to understand why they were having access issues from one day to the next. The Department of IT now coordinates this effort a bit more by notifying end users when upgrades and/or fixes are going to be applied so end users can perform test scenarios in a testing environment.

SAP/Oracle bifurcation: Core financials are split between two systems, increasing complexity and making reporting/research more difficult. There is also confusion among METRO staff on what the roadmap is, both in terms of SAP vs. Oracle and on planned upgrades of each. In September 2010, the workout group (the new President & CEO established a series of staff teams to focus on and “work out” solutions to major issues facing METRO at the time) made an executive decision to choose SAP as the ERP. However, it was never fully implemented and as a result core financial systems are split between SAP and Oracle, as shown here:

- Some elements of core financials are in SAP:
 - Payroll
 - Inventory items
 - Invoice matching
 - Parts of AP
 - Physical items (not services), e.g., purchase orders (POs).
- Some elements of core financials are in Oracle:
 - GL
 - Cut checks for invoices
 - System of Record for AP
 - Service POs (e.g., rent and land).

Other Core Systems are bifurcated as well:

- Procurement:
 - METRO Works Time Sheet Management (M4) is used in Maintenance and users report a lot of problems with it. The Scheduler function doesn’t work well causing them to manually track schedules in a spreadsheet. Users are hopeful that Trapeze EAM (currently being implemented) will be better.
 - Trapeze EAM is being implemented for State of Good Repair (SOGR) under the Department of Capital Programs. METRO is also implementing a Maintenance Repair and Operations (MRO) module for Trapeze for Maintenance. Maintenance Management (MM) will be the system of record for inventory.
 - Inventory is in SAP, including parts, POs, etc.,
 - Checks for vendor payments for goods that are procured in all systems are cut in Oracle

- PRISM is used for APP
- Asset Management elements of SAP are being turned off and migrated to Trapeze
- Human Resources:
 - History was not imported into SAP so Banner is still used to reference historical data
 - Cognos is used for tracking annual performance reviews for the Pay for Performance Program. METRO is considering upgrading or integrating the program into SAP next year.
 - SharePoint is used for scorecards and performance appraisals. Employees can initiate their own scorecard and appraisal. Executive Assistants initiate Employee Change Forms (ECFs). They are then re-keyed into SAP. The Department of IT is working toward integration between SharePoint and SAP. The ECF system currently gets data from SAP but doesn't write any data back.
 - E-Recruit is part of SAP and is used for external and internal staff recruiting opportunities. E-Recruit has the highest incidence of user problems and least user satisfaction of any of METRO's SAP modules. The Department of IT is planning to replace it with People Fluent.
 - METRO is reviewing the SAP compensation module for possible implementation.
 - SAP Human Capital Management (HCM) is used for time and reporting.

The Application Support IT scorecards for FY2011 and FY 2012 are presented in Tables 12 and 13. Since the system was newly developed in FY 2011, the status indicators portion of the quarterly reports showing how each measure is trending was not fully developed, so in some cases no information was included in that section of the scorecard.

TABLE 12

Information Technology Scorecard - FY2011*Application Support Division*

Objective/Measurement	Target/Actual Performance	Status
Consolidate applications into existing Enterprise Resource Planning (ERP) systems / Q2 - Fleetwatch Q3 - Feasibility of using SAP for Support Center and Asset Mgmt Q4 - Procurement Pilot	100%/97%	

Source: METRO Information Technology Scorecard – FY 2011

TABLE 13

Information Technology Scorecard - FY2012*Application Support Division*

Objective/Measurement	Target/Actual Performance	Status
Consolidate applications into existing Enterprise Resource Planning (ERP) systems / Q1 - Tax Factory; Q2 - RM Pilot & SAP Support Packs; Q3 - Fleet Maintenance and FICO Readiness; Q4 - Magic/SCCM Q3, Q4 Targets changed to reflect work on other unplanned competing priorities.	75%/65%	

Objective/Measurement	Target/Actual Performance	Status
Expand/enhance utilization of existing assets/- Q1 - Start majority of projects; Q2 - Complete MDM and deploy Instant Messaging and Desktop Video; Q3 - Complete Begin Win7 and start Office 2010 deployment; Q4 - Complete WiFi coverage; VoIP to Email, NAC and FIM	100%/100%	On target or better. No concerns.
Partner with internal and external stakeholders to increase Authority use of online forms and workflows - Q1 - Identify forms and plan project; Q2 - Start process; Q4 - Complete 25% of online forms	100%/100%	On target or better. No concerns.

Source: METRO Information Technology Scorecard – FY 2012

In general, the IT Application Support Division performed well on the scorecard measures in FY 2011 and FY 2012. However, the scorecard measures do not really measure progress against the objective or could be made stronger. For example:

- The FY 2011 objective to “consolidate applications into existing Enterprise Resource Planning (ERP) systems” is a valid objective that could be improved by incorporating an overall measurement of the number of ERP systems used and integrated. The performance target was nearly met in FY 2011 (97% achieved against a target of 100%), but the target was reduced from 100% to 75% in FY 2012. In FY 2012, Application Support achieved a score of only 65% on this measurement.
- Progress against the FY 2012 objective to “expand/enhance utilization of existing assets” would best be assessed by measuring utilization of assets and the IT program’s impact on that utilization, instead of tracking progress against specific projects.

3.1.4 Performance from Staff Perspective

Five members of the Application Support Division staff were interviewed as part of this audit, to discuss their perceptions of the Division’s accomplishments and challenges during the four-year audit period.

As noted below, these staff identified system implementations as the major **accomplishments** of the Application Support Division during the audit period; they also acknowledged that capabilities that were lost during the implementations are being restored:

- Implementation of SAP
- Implementation of Trapeze modules
- Development and implementation of the ITSC, which includes VP-level representatives from each Division who are responsible for reviewing, scoring and ranking budgeted projects, plus projects of interest
- The Department of IT has established liaisons with user departments. Department of IT staff meet regularly with their user department counterparts.
- Revitalizing lost knowledge. Many of the IT systems have been around for many years.
- In the transition to new core systems some things got lost. They are making inroads to getting those elements back.

These staff also identified **challenges and barriers** that the Application Support Division faced during the audit period, including most notably attitudes and cultures that impact decision making about IT and the systems for which the Department of IT is responsible:

- The Department of IT is often asked to ‘go figure this out for us.’ Rather than taking ownership of their projects, users want the Department of IT to figure out problems with their projects.
- The culture at METRO is for the Department of IT to do everything for everybody and that drives a lot of the business decisions for HR and Payroll. This creates a lot of exceptions that require custom coding for the systems.
- Users don’t like change and want to do it the same way they’ve always done it
- If someone says something at a Board meeting, the Department of IT is asked to change the way something works even if it works well (e.g., E-Recruit system)
- Different business users want different ERP solutions, so the Department of IT is stuck with federated multiple ERP systems.
- ITSC works well for Vice Presidents and Directors, but not as well for lower level staff. Senior Vice Presidents (VPs) need to work better together.
- For years the Department of IT has felt as though they have been just limping along. Now they are doing a lot of catch up.

3.1.5 Performance from Customer Perspective

The Application Support Division’s customers are the departments that use IT applications and systems as well as external customers who use METRO’s external IT systems including the METRO Web site. Internal customers who were interviewed expressed their thoughts about the Application Support Division during the audit period. Their concerns are largely with the ways implementation decisions have impacted their day-to-day business needs. These concerns include missing components, integration challenges, and the impacts of specific implementation decisions, which in some cases have created manual processes:

- Sometimes applications as installed are missing components but when the Department of IT is called they usually fix the issue in a timely manner.
- Some systems do not integrate with each other, requiring manual entry. For example, in procurement there was a batch import process between Banner and Oracle; that process is now manual.
- Oracle PRISM has only been upgraded once since 2001. Maintenance support is no longer available from PRISM.
- METRO is moving from Windows XP to Windows 7. Windows 7 is not compatible with a number of applications including Chase web banking applications, Cognos 8.3 and some Oracle functions.
- There are customer issues with scheduler (METRO Works Timesheet Management (M4), often they are not forecasted accurately and a time consuming manual spreadsheet must be used to ensure audit requirements are met on a monthly basis.
- The IVOMS project was established as a three phase project: implementation of the core system, custom report, and implementation of other elements. The second phase was cancelled, leaving users with only basic reports. They extract the data to create reports for distribution. For example, complaints about buses not being on time or skipping a bus stop must be researched manually. The Department of IT spends 10 hours per week looking at ridership on commuter buses because of these complaints.
- Customers would like an INIT or a Trapeze module to set trigger points for next stop and Transit Signal Priority (TSP) but METRO did not purchase either of them, so the Department of IT developed the ability to identify geographic points for triggering traffic signals internally.

- The METRO Call Center needs workforce management. They previously had a workforce management tool called Simon. The Cisco phone system also has functionality for workforce management that the Call Center once used. The Call Center no longer has access to either of these applications.

3.1.6 Findings: IT Application Support Division

As a customer-oriented service division, the Department of IT must walk a fine line between treating its customers as “always right” and managing the resources required to deliver on that commitment. During the audit period, the Department of IT and the Applications Support Division eliminated some peripheral systems, but core applications (ERP, Procurement, and HR) are still split among many systems, without sufficient automated interfaces. While this approach gives users the systems they request, it causes inefficiencies in resource management, and cumbersome and inefficient manual processes, as well as licensing and implementation expense.

Because the core systems are bifurcated and interfaces are not automated, data entry and reporting require inefficient manual processes. As a result key financial functions (e.g., budget, payroll, accounting, and inventory) are supported by different systems. Users commented on the absence of automated interfaces and the resulting manual processes that are required in a number of areas (e.g., Roth 457 retirement account after-tax deductions, grants and payments data are maintained in an Access database, and workforce management to allow the Call Center to schedule staff based on workloads).

In an effort to improve decision-making processes and the efficient use of resources, the Department of IT developed and implemented the ITSC, initiated a strategic planning process, and is working toward establishing enterprise architecture for project implementation and PMO. These initiatives would function together to improve the processes by which decisions and commitments are made, resources are allocated and assigned, plans and timelines are transparent and visible to the user community, and end users buy-into projects intended to support them. For example, a key opportunity for the Application Support Division lies in rationalizing and consolidating the core systems. One objective of the current project scoring process is to consider whether a project integrates with current systems. That decision should also consider whether the project uses existing systems, before considering integration or introduction of a stand-alone system. For example, SAP has an asset management module that might better meet METRO’s needs than the Trapeze module, which would require further integration efforts.

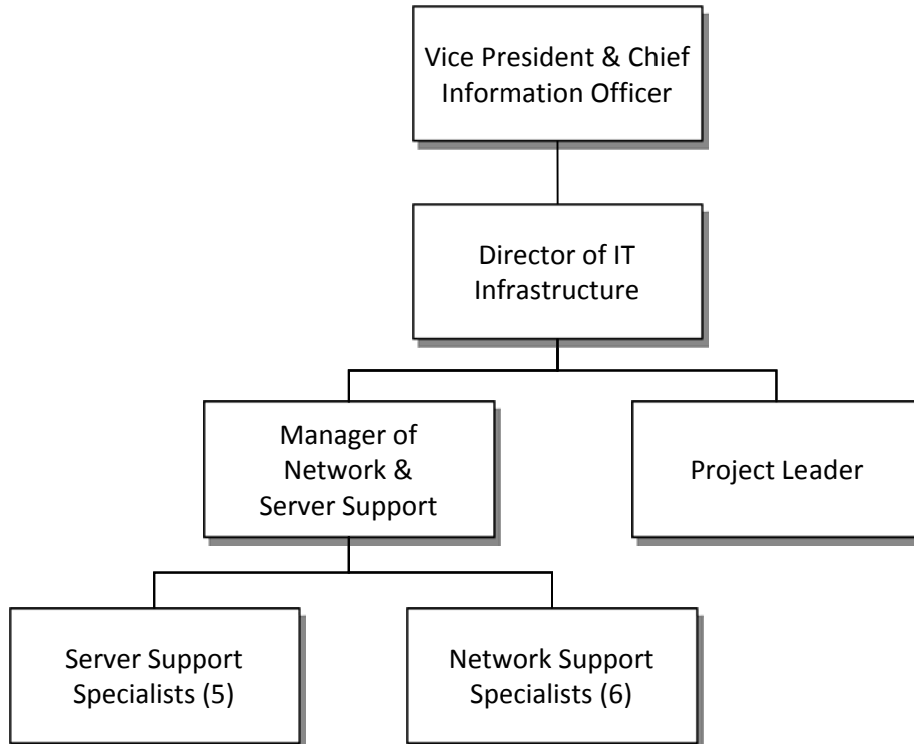
There are also opportunities to improve the Department of IT’s governance structure, to ensure that the most needed projects are prioritized over the squeaky wheels, provide tighter coordination between systems upgrades and desktop upgrades, and to improve performance measurements.

3.2 IT Infrastructure Division

3.2.1 Overview and Organizational Structure

The IT Infrastructure Division reports to the Vice President & Chief Information Officer for METRO. Figure 9 shows the current organization of the fourteen (14) positions in the Infrastructure Division. As of October 1, 2013, three of the positions were vacant. The IT Infrastructure Division is led by the Director of IT Infrastructure.

FIGURE 9
IT Infrastructure Division Organizational Chart



3.2.2 Responsibilities and Products

The IT Infrastructure Division is responsible for all METRO networks as well as the servers and all desktop and field hardware. The Division supports over seven thousand networked devices and redundant networks for all METRO offices.

3.2.3 Performance over the Audit Period

Core networks were upgraded to a 10Gb standard and reliability was markedly improved. Although network availability was not previously tracked, network availability is currently about 98%.

The IT Infrastructure Division scorecards for FY2011 and FY 2012 are presented in Tables 14 and 15. Since the system was newly developed in FY 2011, the status indicators portion of the quarterly reports showing how each measure is trending was not fully developed, so in some cases no information was included in that section of the scorecard.

TABLE 14
Information Technology Scorecard - FY2011
IT Infrastructure Division

Objective/Measurement	Target/Actual Performance	Status
Continue consolidation of servers, storage and desktops Q2 - Virtualize Dev/QA servers Q3 - Storage virtualization Q4 - Desktop virtualization	100%/96%	No concerns.
Enhance Disaster Recovery Site Q1 & Q2 - Disk-to-disk replication, upgrade switches; virtualize servers & upgrade email system for DR site	100%/100%	On target or better. No concerns.
Complete deployment of SAFEBus technology/- On Hold Q1-Q3 Project started back up at very end of Q3 so Q3 target removed and Q4 target reduced	5%/5%	Met revised target. No concerns.
Maintain a safe and secure computing environment/ Q1 - Q4 Safe and secure environment during upgrade to Data Center Q3 - Restructure Active Directory; deploy Network Access Control system Q4 - restructure H: drive; Anti-virus/Anti-spam	100%/100%	On target or better. No concerns.

Source: METRO Information Technology Scorecard – FY 2011

TABLE 15
Information Technology Scorecard - FY2012
IT Infrastructure Division

Objective/Measurement	Target/Actual Performance	Status
Infrastructure Sustainability Initiative/-Q2 - Continue work on DR; Q3 - Complete work for DR	100%/100%	On target or better. No concerns.
Complete deployment of SAFEBus technology/- Q1 - Continue deployment of SAFEBus, Pressit and PTT/PRTT; Q2 - Q4 - Complete project	100%/100%	On target or better. No concerns.

Objective/Measurement	Target/Actual Performance	Status
Maintain a safe and secure computing environment/ Q4 - complete patches for MDTs and installation of Data Center cooling system	100%/100%	On target or better. No concerns.

Source: METRO Information Technology Scorecard – FY 2012

The focus of the metrics on Disaster Recovery (DR) and security are both appropriate. Metrics, instead of being focused on project delivery, should focus on outcomes. For DR failover speed, downtime in simulation or system performance on failover might be appropriate measures.

3.2.4 Performance from Staff Perspective

One member of the IT Infrastructure Division staff was interviewed as part of this audit, as well as peers from the other IT Divisions and the Vice President & CIO.

These staff identified the following **accomplishments** of the IT Infrastructure Division during the audit period:

- Network upgrade
- Increase in the use of virtualization, whereby fewer physical servers are used to host the same number of systems.
- Long range planning for infrastructure. The work being done now will be seen in solid network performance five to seven years from now.

These staff also noted the following **challenges and barriers** to the IT Infrastructure Division during the audit period:

- Issues with severing fiber to remote sites. People pull fiber cables looking for copper to sell; construction projects can sever fiber lines.
- The Department of IT has had funding issues for several years. They are now past the dry spell and receiving slight increases in funding, allowing them to expand their capabilities and address some needs that went unmet for a number of years.

3.2.5 Performance from Customer Perspective

Most interviewees from user departments did not work directly with the IT Infrastructure Division so limited direct feedback was received from customers. Feedback instead focused on network availability and security.

- IVOMS recovery tests are performed annually. IT brings down the server from the main server site (at 1900 Main Street – METRO Headquarters) and restores the server at a DR site at TranStar. These recovery tests have been successful.
- Network downtime can reach up to two days of outage; the usual causes are related to local construction and cut fiber. Network redundancy supports efficiency but backup T1 lines are so slow that enterprise applications cannot be run effectively.
- Network printing is unreliable at times and printers are outdated with minimal functionality and most are past their life expectancies
- Desktops do not have roaming profiles so when employees move from one computer to another, their personal desktop data does not load and sometimes employees lose access
- The Call Center phone system can be down as frequently as multiple times per day or as infrequently as once a month (CISCO Server). The causes are usually associated with needing to reboot the system or a cut fiber. It is difficult to function when the system is down because there are no manual modes. All

entries must be entered via the Web or phone (i.e., trip set-up) so ultimately outages result in delays and customer complaints.

- The Automated Passenger Counting (APC) system is ten years old. The APC servers crash and keeping the system up to date is important.
- The Interactive Voice Response (IVR) system for the Call Center is outdated. Support from the vendor is not good and it can be a couple of days before they get a response. The Call Center has had conversations with IT about replacing or updating IVR.
- Security issues:
 - Users experience security access issues to various systems. There is difficulty finding a METRO IT staff person who has the knowledge necessary to resolve issues in a timely manner.
 - Users appreciate the level of security but feel that sometimes the Department of IT goes overboard with security. Business functions should not be interrupted by not having administrative rights.
 - Users have to remember many passwords. They would like to be able to use a single password or have single sign-on.
 - Global security rules were set up to restrict access to certain Websites such as CHASE.com. This causes issues with Payroll and Treasury because they require access to this Website for work purposes. Previously, they had to request security updates anytime there was a system reset but this seems to be working more smoothly now.
 - Sometimes one IT team is assigned to rollout software upgrades and another is assigned to manage security access. This sometimes results in system access issues.
- Employee on-boarding is a manual process, with security rules, access, and system configuration all performed individually for each new hire. Because getting new hires into the system can be extremely slow, they often need to begin working on assignments before they are fully configured on their computer systems. Aspects of the process were recently automated, but it remains slow overall. It would be more efficient to have a profile pre-programmed that is applied before new hires come on board. For example, all signaling maintenance communicators need the same configuration, so profiles could be automated to roll out their configuration before they start work.
- There are a limited number of Oracle licenses due to budget issues. As a result, some users who felt they needed access to Oracle for payments only had access through PRISM.

3.2.6 Findings: IT Infrastructure Division

During the audit period, the IT Infrastructure Division worked on infrastructure long range planning, supporting the Department of IT's efforts to improve planning. Core networks were upgraded and reliability/availability was markedly improved. At the same time, funding issues eased somewhat, allowing the Department of IT to begin to address unmet infrastructure needs. The IT Infrastructure Division continues to address connectivity to remote locations, including problems with severed fiber connections and secondary networks that are insufficient to support critical core applications. Looking forward, opportunities to continue to improve IT infrastructure include:

- Continuing planning support for the infrastructure elements of the Department of IT's strategic and long range plans
- Evaluating the impact of losing the primary network for core systems at remote locations as well as options for better secondary network connectivity
- Evaluating options for automating user setup and security configuration for new hires
- Implementing performance metrics that focus on outcomes instead of project delivery

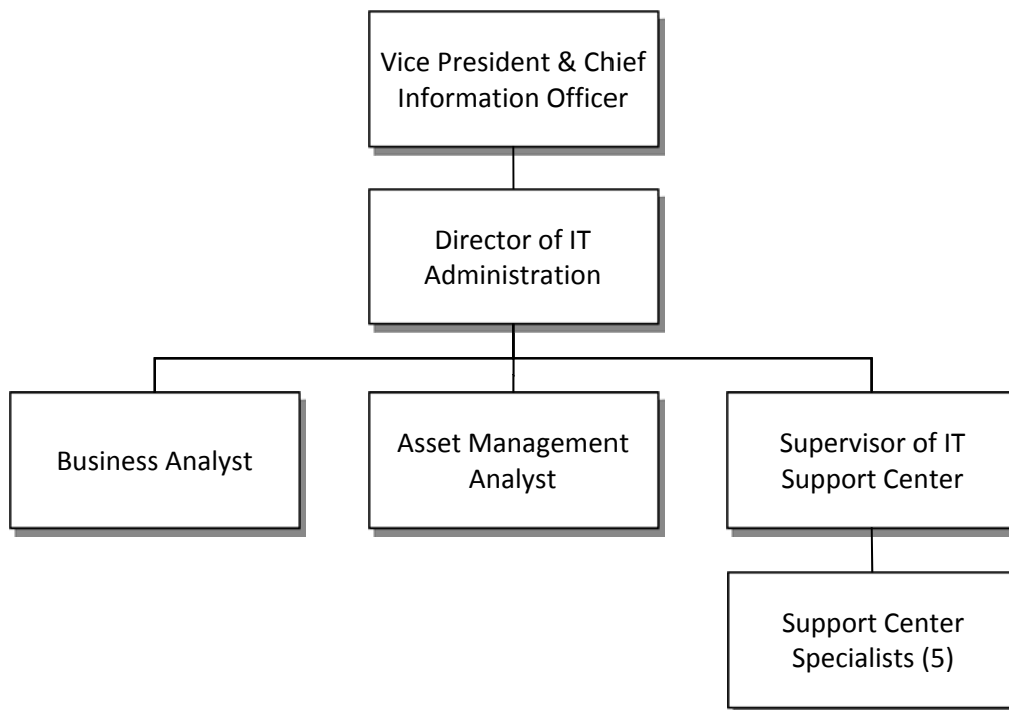
- Evaluating replacement of the existing outdated IVR system with the IVR functionality that exists in Trapeze.

3.3 IT Administration Division

3.3.1 Overview and Organizational Structure

The IT Administration Division reports to the Vice President & Chief Information Officer for METRO. Figure 10 shows the current organization of the nine (9) positions in the IT Administration Division. As of October 1, 2013, two of the positions were vacant. The IT Administration Division is led by the Director of IT Administration.

FIGURE 10
IT Administration Division Organizational Chart



3.3.2 Responsibilities and Products

The IT Administration Division is responsible for supporting internal users of IT services (the Support Center) and asset management for the Department of IT.

3.3.3 Performance over the Audit Period

The IT Administration Division scorecards for FY2011 and FY 2012 are presented in Tables 16 and 17. Since the system was newly developed in FY 2011, the status indicators portion of the quarterly reports showing how each measure is trending was not fully developed, so in some cases no information was included in that section of the scorecard.

TABLE 16
Information Technology Scorecard - FY2011
IT Administration Division

Objective/Measurement	Target/Actual Performance	Status
Develop strategic technology plan for METRO's future Q2 - Develop 3-year roadmap for Administration, Application and Infrastructure groups	100%/100%	
Implement METRO Cost Control Initiative project(s) / Q2 - Receive and plan submitted projects; Q3 - 1st phases of projects; Q4 - complete 1st phases	100%/100%	
Apply "Green" solutions to IT projects/equipment/ Q1 - Q4 - Implement power saving features for servers and desktop computers located in the Data Center and Authority. Priorities have changed (multiple alternate projects) and remaining project will be moved into FY12	75%/75%	On target or better. No concerns
Support METRO's customer service needs (e.g. METROLift, Trip Planner, Storefronts)/ Q1 - Q4 Assist with Community Service Centers; implement METROLift system; Follow-up on 100% of unresolved work orders	100%/97%	
Simplify IT Request process/ Q2 - analyze forms process; Q3 - have 50% of forms in digital format; Q4 - complete balance of forms in digital format	100%/100%	On target or better. No concerns
Partner with the City of Houston (COH) on Regional Video Surveillance sharing/ Q1 & Q2 - meet and discuss partnership with COH; formalize partnership with COH	100%/100%	On target or better. No concerns

Objective/Measurement	Target/Actual Performance	Status
Partner with other METRO business units to enhance system knowledge and skills/ Q2 - Q4 - Better communication with other departments on what IT is doing and why; provide FAQs for most common problems	30%/75%	On target or better. No concerns

Source: METRO Information Technology Scorecard – FY 2011

TABLE 17

Information Technology Scorecard - FY2012

IT Administration Division

Objective/Measurement	Target/Actual Performance	Status
Enhance technical skills within the IT department/ Q2 - Q4 - 50% cross-training of Administration group; survey tasks and duties and schedule 1-on-1 training	100%/100%	On target or better. No concerns
Enhance cross training with the IT department/ 2- Plan and develop cross-training of IT Dept employees; establish backup and primary for each duty Q3 - cross-train primary to backup; Q4 - test backup to perform primary job function	80%/80%	On target or better. No concerns

Source: METRO Information Technology Scorecard – FY 2012

The scorecard performance of the IT Administration Division is strong. However, in some cases, the metrics seem misaligned with the objectives or could be strengthened. Specifically:

- In FY 2011, “develop strategic technology plan for METRO's future” is aligned with a metric of establishing a roadmap. A roadmap is a list of projects, not strategies. A more appropriate metric would be the development and approval (by ITSC and the President & CEO) of an IT Strategic Plan.
- In FY 2011, “support METRO’s customer service needs” could be better measured by customer satisfaction, instead of project completion.

Some of the objectives from the FY2011 scorecard, such as supporting customer service and partnering with other METRO divisions, were not included in the FY2012 scorecard.

3.3.4 Performance from Staff Perspective

Two members of the IT Administration Division staff, as well as the Vice President & Chief information Officer, were interviewed during the audit. They discussed their perceptions of the IT Administration Division’s accomplishments and challenges during the audit period. These staff noted the following **accomplishments**:

- Developed one-year and four-year IT Plans
- Developed and implemented the ITSC
- Improved performance based on the customer satisfaction survey

- Improved handling of requests for projects and support at a high level and assigning the right resources.

These staff also identified **challenges and barriers** that the IT Administration Division faced during the audit period:

- The Department IT spends too much time “fighting fires”, and yes, there are a lot of “fires”.
- Being short handed and under budget was difficult and put the Department of IT way behind on a lot of projects.

3.3.5 Performance from Customer Perspective

The customer interface with the IT Administration Division is primarily through the Support Center (Help Desk). Customers provided the following observations about the performance of the IT Administration Division:

- With some exceptions, users generally feel that the Support Center provides good service, especially during business hours:
 - The Treasury Services Division and Payroll report that weekend coverage is made available when necessary.
 - SharePoint is very well supported by the Department of IT for the performance management system and scorecard. The ECF is a SharePoint application and is also supported by the Department of IT.
 - The Department of IT does their best to provide sufficient internal support but will reach out to consultants to cover areas that they are unable to support.
 - Some customers report having to wait until Monday for support when they experience downtime after hours and on weekends. For example, the Department of Service Delivery/Bus Transportation reports that the Department of IT serves them well during normal business hours but they must usually wait until the next business day to resolve issues.
 - GIS support relies on one employee. Customers worry that if he leaves they would be in trouble, so getting as much functionality in Trapeze as possible is critical.
 - The METRO Call Center reports poor response time from the vendor supporting Trapeze (i.e. Web booking)
 - The Department of IT is very responsive to titles so line managers don’t get the level of support they need.
- There is a perception among internal customers that FY2011 and FY2012 staff reductions in IT, including high level positions as well as support staff, resulted in a knowledge deficit and continues to cause a lag in response times.
- The Department of IT is missing some central coordination. For example, one Division is responsible for upgrading to Windows 7, but that created a problem with the Cognos budget system. The Department of IT needs to get together and find a solution rather than each Division trying separately for a solution.

3.3.6 Findings: IT Administration Division

Audit period accomplishments include steps taken to improve both the Department of IT’s strategy for meeting its mission, such as the development of the one- and four-year IT plans, and its relationships with user departments (e.g., implementation of the ITSC, regular meetings between IT staff and their users, and improved handling of requests for projects and assignment of the right resources). Based on the results of the Department of IT’s customer satisfaction survey, performance has improved.

- In general the Support Center is viewed as strong and responsive to customer needs, especially during regular business hours. Conversely, some after-hours support is not as strong as support provided during the regular work day.

- IT users perceive both that the Department of IT will do what it takes to get the job done and that the Department of IT is shorthanded and is therefore always “fighting fires”, is behind on projects, and is unable to be proactive.

Continuing opportunities include:

- Evaluating after hours support needs and response
- Gathering more direct feedback and metrics on Support Center performance, including customer surveys as part of the scorecard, first call resolution, response time, etc.
- Improving the governance structure to ensure that the most needed projects are prioritized over the squeaky wheels.
- Improving performance metrics to provide better measures of performance objectives.

Section 4. Findings and Recommendations

Performance audit findings are documented in the audit reports pertaining to each of the three aspects of the performance audit:

- Administration and Management review included herein
- Performance indicator results
- Legislative compliance review.

The findings documented in each of the three audit reports indicate areas of positive performance as well as opportunities for improved effectiveness, efficiency and productivity. Recommendations offered for METRO's consideration capitalize on these improvement opportunities. Rather than viewing the recommendations as negative, they should be evaluated as opportunities for improvement, and balanced against METRO's positive performance results and accomplishments during the performance audit review period, as noted throughout the audit reports.

4.1 Department of Finance Recommendations

The audit team reviewed the results of the interviews with METRO staff including the identified opportunities for improvement and combined that with the team's knowledge of the transit industry and its professional judgment to develop these specific recommendations. Five recommendations are offered for consideration by the Department of Finance as a result of the FY09-FY12 performance audit. The recommendations are grouped into three areas, as follows:

- Staff development and succession planning
- Process improvements
- Management control and reporting.

4.1.1 Staff Development and Succession Planning

The Department of Finance has undergone reorganization and staffing changes during the audit period due to a rightsizing effort in FY 2011, retirements, and other routine staff turnover. This has resulted in new staff being hired or existing staff moving to other positions and responsibilities. In some cases, such as in the Grant Programs Division where the two senior-graded staff members left the Authority, the successor employees coped with a significant "learning curve" in order to gain the knowledge necessary to perform the positions' duties and responsibilities. Budget Services has recognized this concern and recently implemented cross training and mentoring for Budget Services staff. In FY 2012, the Organizational Development staff developed a basic procedure for succession planning that will continue to be developed in FY 2013. Elements of that plan include a process of identifying high-potential employees, monitoring the advancement of individuals' competencies and performance, and establishing appropriate career ladders and monitoring the progress made along those paths. Succession planning for the Department of Finance is expected to be completed in that process.

Recommendation 1: METRO should review the Department of Finance staffing levels and organization and identify opportunities for cross training and knowledge transfer to support staff development and retention.

4.1.2 Process Improvements

During the audit period, METRO underwent some reorganization as well as changes to its pension program that have resulted in some functions being split between two organizations. With proper controls in place, the placement of functions within the organization may not be a concern.

The Department of Finance and other user departments work with various Information Technology (IT) systems to conduct day-to-day business. The current systems "stand alone" and do not function as a single comprehensive

system. In some cases, this results in inefficiencies in department functions, including some duplication of effort between systems as well as some manual processes and interfaces that are identified in the body of this report.

There may be opportunities to increase efficiency and productivity by redesigning and/or automating processes that are currently manual. METRO may want to begin by reviewing the specific areas identified previously in this report to determine whether changes to functional alignments and /or process automation and redesign will improve efficiencies and operations. Process improvements should be considered in conjunction with the Department for Performance Improvement since process improvements is one of their focus areas.

Recommendation 2: Currently, Metro uses “Time Sheet by Exception” which does not require salaried employees to record time or obtain their supervisor’s approval. This has caused time sheet manual corrections due to employee errors in recording time off or time worked. The time sheet errors can be minimized or eliminated by turning on the Manager Self Service time sheet approving functionality in SAP or changing from “Time Sheet by Exception” (employees only record paid time off) to “Positive Time Sheet” (employees must record all time worked and paid time off). The Department of IT and the Payroll section within the Accounting Division should review options and implement functionality in SAP Human Capital Management (HCM) to minimize time sheet manual corrections.

Recommendation 3: The Department of Finance should evaluate its processes that are currently performed manually to determine what steps can be taken to automate the processes to improve efficiency when upgrading the system.

Recommendation 4: The Treasury Services Division should review potential consolidation and/or process improvement opportunities with the Departments of Human Resources and Service Delivery with regard to: 1) data maintenance and records filing for the pension system and 2) revenue collection functions between Service Delivery and Treasury Services including the RideStore and METRO Q® Fare Card Processing Center operations.

4.1.3 Management Control and Reporting

In FY 2011, METRO initiated an annual scorecard program for the departments that links their annual work plans to METRO’s strategy and operational philosophy. Departmental scorecards include objectives and measures that are reporting quarterly and at the end of each fiscal year and discussed during quarterly budget meetings among the President & CEO, the Executive Vice President, the CFO & Sr. Vice President of Finance, and the Vice President of Performance Improvement, with the objective of monitoring and managing budget and functional performance. For FY 2011 and FY 2012, performance objectives for the Departments of Finance and IT tended to be specific to projects and their measurements were generally expressed as project milestones. In a few cases, the objectives and measures were more quantitative. As noted in the discussions of divisional scorecards, there may be opportunities to improve the performance measures in ways that would make the measurement outcome-oriented vis-à-vis the budget instead of focused on project delivery, and better aligned with the objective.

Recommendation 5: As part of the annual budget process, and in conjunction with monitoring the annual Business Plan and Budgets throughout the year, the Budget Services Division should work with the departments to define outcome-oriented measurements that better align with both departmental and financial objectives.

4.2 Department of Information Technology Recommendations

Recommendations applicable to performance efficiency, effectiveness and productivity in METRO’s Department of IT are identified below. The nine recommendations are grouped into four key areas, broadly categorized as follows:

- Increase strategic value of IT
- Improve IT governance
- Reduce the number of core IT systems
- Improve non-central support.

4.2.1 Increase Strategic Value of IT

In conducting the performance audit, the audit team reviewed METRO's October 1, 2012 organization chart in preparation for the interviews conducted as part of the audit process. During those discussions, interviewees confirmed the auditors' impression that over time, METRO has adopted an increasingly hierarchical organization. Because the functional review portion of the audit addresses only the Departments of Finance and IT, the audit team did not delve further into organizational structure issues for METRO as a whole. However, the number of existing organization layers is high and results in specific recommendations for IT to address strategic value and executive sponsorship.

The Department of IT is broadly perceived within METRO as tactical and reactionary. This is made clear both by customer comments about IT being "title driven" and by IT staff comments about being pulled away from critical projects to "fight fires". This makes sense given the recent era of austerity and the budget cuts that IT experienced while expanding the infrastructure they must support and the complexity of the systems. The perception and reality are reinforced by the IT organization's location within the METRO organizational structure. Tactical and reactionary IT departments run the risk of always being behind the curve. The recommendations in this section focus on increasing the strategic value of IT to METRO.

Recommendation 1: Reduce the number of organization layers, or move the Department of IT higher in the METRO organization structure. In many transit agencies, the CIO reports directly to the President & CEO. In transit agencies of METRO's size, if the CIO does not report to the CEO, he/she typically reports to a direct report of the CEO (C-Level). The exceptions to this structure are agencies that, because they are part of a municipality, have much smaller IT departments with smaller strategic requirements. Placing the CIO higher in the METRO organization will naturally provide higher visibility and strategic importance to IT initiatives.

Recommendation 2: Establish executive sponsorship for all IT projects of a certain size. Projects without executive sponsorship invariably don't get the attention they deserve. All projects of strategic importance to METRO should have a C-Level sponsor to ensure that they get proper organizational visibility and respect within the agency.

4.2.2 Improve IT Governance

The Department of IT has made good strides during the audit period toward improved governance. The one- and four-year plans and the establishment of the ITSC are positive steps that will provide both direction and visibility for the portfolio of IT projects. But the IT project portfolio and the prioritization of projects within it should be based on strategic objectives and objective scoring.

To that end, it is recommended that METRO:

Recommendation 3: Establish an Enterprise Architecture (EA). EA is an organizing logic for business processes and IT infrastructure reflecting the integration and standardization requirements of METRO's operating model. The operating model is the desired state of business process integration and business process standardization for delivering goods and services to METRO's customers. An EA would define what METRO does, who performs individual functions within METRO, how the organizational functions are performed, and how information is used and stored. The benefit of an EA is that IT costs are reduced and responsiveness of IT systems is improved. An EA is the simplest way to translate METRO's overall goals and strategies into practical solutions that can be applied to the IT systems. For an IT organization the size of METRO's, it is an important foundation for good governance.

Recommendation 4: Establish a Project Management Oversight (PMO) function and framework. The function of a PMO is to ensure that projects are managed the same way throughout the organization and that there is high visibility into the nature of the projects, the success metrics, and the progress of the projects as they are being implemented.

Recommendation 5: Enhance visibility of METRO's system for ranking and selecting IT projects for implementation so METRO staff have an understanding of the process and the future projects to be implemented by IT.

4.2.3 Reduce the Number of Core IT Systems

The number of core systems for ERP, EAM, Procurement and HR leads to inefficiencies and additional costs both within and outside the Department of IT. The Department of IT is working to reduce the number of one-off and custom built solutions. This work must continue and, as systems are replaced, the strategic value of common core systems needs to be more carefully weighed. The establishment of an EA and a project focus on strategic objectives will help direct system development correctly going forward. The following recommendation is offered for METRO's consideration.

Recommendation 6: Actively work to reduce the number of core IT systems. Executive sponsorship, an EA, and a project scoring system that takes into account the efficiencies and benefits of a reduced number of systems will naturally lead to this. It is also recommended that this should be a Department of IT objective and scorecard metric.

4.2.4 Improve Non-Central Support

While the Department of IT is very strong in supporting users in 'standard' environments, that is, in METRO's central Headquarters building and during normal business hours, the support falters somewhat outside those parameters. The following recommendations are offered to improve that support.

Recommendation 7: Evaluate the impact of losing the primary network for core systems at remote locations as well as options for better secondary network connectivity. Currently, failure of the primary network (fiber) does not count against network availability figures. While it is true that phones and e-mail are still functioning, other core systems cannot function well or often at all on the secondary (T1) network. Further fiber redundancy would likely be prohibitively expensive, but a cost benefit analysis that takes into account true system availability should be performed. This might result in changed response to the primary network failure or to seeking alternate and improved secondary networks.

Recommendation 8: Evaluate after hours support needs and response. While there are currently off-hours procedures for the Support Center that make support available, they are not effective for some users. An analysis should be done of all the off-hour needs for Support Center response and, based on the analysis, the off-hour procedures and responses should be reevaluated.

Recommendation 9: The Department of IT should review the currently assigned access to the Oracle system to determine whether access to Oracle is assigned to the users with the greatest need for access that the levels of access are adequate for users and whether access is needed for additional users. It is recognized that all current Oracle licenses are in use by METRO and that additional licenses are a large agency expense and if METRO moves toward an ERP, the need for additional Oracle user access may be superseded. However, a periodic review of user access rights is a good practice.

Appendix A: Titles of Staff Interviewed for the Audit

Interview Group	Interviewee
Executive	Interim President & CEO
Executive	Sr. Vice President Capital Programs
Executive	Sr. Vice President Service Delivery
Executive	Interim Sr. Vice President Service Design & Development (Sr. Director Service Planning & Evaluation)
Executive	Interim Executive Vice President (Group VP, Business Services)
Executive	Vice President & Director Government Affairs
Executive	Vice President Performance Improvement
Executive	Vice President & Sr. Press Officer
Finance Staff	Vice President, Chief Financial Officer
Finance Staff	Sr. Director Accounting/ Controller
Finance Staff, IT User	Director Budget Services
Finance Staff	Director Grant Programs
Finance Staff	Director Treasury Services
Finance Staff	Manager General Accounting
Finance Staff	Manager Accounting
Finance Staff, IT User	Manager Accounts Payable
Finance Staff	SAP Payroll Manager
Finance Staff, IT User	Manager Banking Investment & Debt Service
Finance Staff	Treasury Analyst
Finance Staff	Manager POS & Fare Collection Systems
Finance Staff	Manager Fare Media and Revenue Analysis
Finance Staff	Coordinator Fare Media & Fare Revenue
Finance Staff	Financial Accounting & Reporting Specialist
Finance Staff	Accountant (General Accounting)
Finance Staff	Team Lead (Accounts Payable)
Finance Staff	Accountant (Accounts Payable)
Finance Staff	Payroll Accountant
Finance Staff	Manager Expense Budget
Finance Staff	Sr. Grants Program Specialist
Finance User	Director Budget Operations
Finance User	Manager Operations Management Analysis
Finance User	Superintendent of Fare Collection Maintenance
Finance User	Director Administrative Support, CAO Office
Finance User	Communications & Marketing Coordinator
Finance User	Manager Management Services
Finance User	Project Manager Business Initiatives
Finance User	Director of Contract Operated Services, Customized Services/Service Delivery
Finance User	Executive Assistant V, Department of IT
Finance User	Manager Transportation Programs
Finance User	Manager Contract Services
Finance User	Manager Procurement
Finance User	Associate Vice President Engineering & Major Capital Projects
Finance User	Sr. Director Program Control
Finance User	Director Major Capital Projects
Finance User	Vice President Facilities Maintenance
Finance User	Manager Facilities Maintenance Contracts
Finance User	Manager Facility Programs & Project Management

Interview Group	Interviewee
Finance User	Director Talent Management
Finance User	Sr. Benefits Analyst (Billing)
IT Staff	Vice President & Chief Information Officer
IT Staff	Director, IT Application Support
IT Staff	Director, IT Infrastructure
IT Staff	Director, IT Administration
IT Staff	IT Manager
IT Staff	IT Manager
IT Staff	Application Systems Analyst IV
IT Staff	IT Business Analyst
IT Staff	Systems Analyst III
IT User	Treasury Coordinator
IT User	Lead Budget Analyst, Budget Services
IT User	Sr. Manager Compensation
IT User	Vice President Human Resources
IT User	Supervisor Human Resources Data & Records Services
IT User	Director Materials Management
IT User	Director Procurement
IT User	Sr. Procurement & Management Applications Analyst
IT User	Procurement & Materials Applications Analyst
IT User	Operations Supervisor
IT User	Manager Service Delivery
IT User	Director, METROLift Services
IT User	Chief Signal & Communications
IT User	Bus Controller, Service Delivery
IT User	Assistant Supervisor Bus Control, Service Delivery
IT User	Chief Starter, Service Delivery
IT User	Chief Starter, Service Delivery
IT User	Manager Ridership Analysis and Service Evaluation
IT User	Manager Scheduling

Appendix B: Interview Guides

Executive Interview Guide

INTERVIEWEE:**TITLE:****DATE:**

Introduction and overview of performance audit objectives and scope. Section 451.454 of the Texas Transportation Code requires that transit operators undergo a performance audit every four years to assess:

- compliance with the reporting of nine performance indicators:
 - operating cost per passenger
 - operating cost per revenue mile
 - operating cost per revenue hour
 - sales and use tax receipts per passenger
 - fare recovery rate
 - average vehicle occupancy
 - on-time performance
 - number of accidents per 100,000 miles
 - number of miles between mechanical road calls
- compliance with Chapter 451 and other applicable state law
- performance efficiency and effectiveness, this time focusing specifically on two functional areas: IT and Finance (including Budget Services, Grant Programs, Accounting, Treasury Services).

The audit review period covers fiscal years 2009, 2010, 2011, and 2012 -- the period of time from October 1, 2008 through September 30, 2012.

1. Start by having the interviewee provide an overview of their responsibilities.
2. What are your most important priorities?
3. What have been your major accomplishments over the audit review period?
4. What have been your major challenges? Are there any opportunities for improvements/areas of perceived problems?
5. As part of this audit, we are reviewing the efficiency and effectiveness of the IT and Finance Departments (the latter include Budget Services, Grant Programs, Accounting, Treasury Services). Do you consider your

department/division to be a user of any of these services? What has been your experience with the services provided by these divisions? Identify any particular strengths or weaknesses in their performance.

6. What are the current goals and objectives of your division?
7. How is your division's performance measured?
8. Are there any future plans that are likely to impact METRO's performance trends?
9. Is there anything else the interviewee would like to add?

Ask if it is okay to call if you have questions -- let them know that a draft report will be available to METRO for review in April. Prior to issuing the draft report, we will discuss any significant findings with METRO staff.

Finance User Interview Guide

INTERVIEWEE:

TITLE:

DATE:

Introduction and overview of performance audit objectives and scope. Section 451.454 of the Texas Transportation Code requires that transit operators undergo a performance audit every four years to assess:

- compliance with the reporting of nine performance indicators:
 - operating cost per passenger
 - operating cost per revenue mile
 - operating cost per revenue hour
 - sales and use tax receipts per passenger
 - fare recovery rate
 - average vehicle occupancy
 - on-time performance
 - number of accidents per 100,000 miles
 - number of miles between mechanical road calls
- compliance with Chapter 451 and other applicable state law
- performance efficiency and effectiveness, this time focusing specifically on two functional areas: IT and Finance (including Budget Services, Grant Programs, Accounting, Treasury Services).

The audit review period covers fiscal years 2009, 2010, 2011, and 2012 -- the period of time from October 1, 2008 through September 30, 2012.

1. Start by having the interviewee provide an overview of their responsibilities.
2. What are your most important priorities?
3. As part of this audit, we are reviewing the efficiency and effectiveness of the IT and Finance Departments, including Budget Services, Grant Programs, Accounting, and Treasury Services. Which of these groups support your responsibilities?
4. How effectively does do the Finance divisions support your needs? For example:
 - a. How do Budget Services/Grant Programs/Accounting/Treasury Services serve you? What information and/or service do they provide? Is there additional services/information that you need from them?
 - b. How easy/difficult is it to get the information/services you need? Are their services timely, accurate? Are there ways their services could be improved?

- c. How do you communicate with the Finance divisions?
 - d. Are you able to reach decision makers or points of contact in a timely fashion? Are the approvals needed for action appropriate? If so, please give examples.
 - e. Is there any unnecessary duplication or overlap between your department/division and the Finance divisions that impacts your work efforts? Are there functions or activities required by Finance Department that require unnecessary reporting? If so, please give examples.
5. What are the Finance divisions' greatest strengths? What are their primary weaknesses?
 6. Are there barriers or challenges that the services that Finance provides to your department? Are there organizational issues within METRO that make the jobs of the Finance Department more difficult? How would you correct them?
 7. What are the Finance divisions' greatest opportunities for improvement? How could they better help you fulfill your objectives, priorities, and needs?
 8. Is there anything else you would like to add?

Ask if it is okay to call if you have questions -- let them know that a draft report will be available to METRO for review in April. Prior to issuing the draft report, we will discuss any significant findings with METRO staff.

IT User Interview Guide

INTERVIEWEE:**TITLE:****DATE:**

Introduction and overview of performance audit objectives and scope. Section 451.454 of the Texas Transportation Code requires that transit operators undergo a performance audit every four years to assess:

- compliance with the reporting of nine performance indicators:
 - operating cost per passenger
 - operating cost per revenue mile
 - operating cost per revenue hour
 - sales and use tax receipts per passenger
 - fare recovery rate
 - average vehicle occupancy
 - on-time performance
 - number of accidents per 100,000 miles
 - number of miles between mechanical road calls
- compliance with Chapter 451 and other applicable state law
- performance efficiency and effectiveness, this time focusing specifically on two functional areas: IT and Finance (including Budget Services, Grant Programs, Accounting, Treasury Services).

The audit review period covers fiscal years 2009, 2010, 2011, and 2012 -- the period of time from October 1, 2008 through September 30, 2012.

1. Start by having the interviewee provide an overview of their responsibilities.
2. What are your most important priorities?
3. What IT systems support your goals/objectives/priorities (e.g., scheduling, CAD/AVL, maintenance, finance, or any system used for ridership or performance reporting)?
4. If you are responsible for reporting data or performance indicators, where do you get the data? What systems contain the data you require? How do you access the data? How do you manipulate the data after they are retrieved from the source systems?
5. Is the process for deriving data and performance indicators documented?

6. Do you trust the numbers are accurate and consistent – and that they will be available and the same if you need them again in a year, or ten years?
7. Does IT provide the support you need for your systems? Do you know who to call when you have a problem? Does IT provide support in a timely manner? Does IT provide on-call or 24-hour support?
8. Is communication with IT effective or does it impact your work efforts? Is it difficult to reach decision makers in IT in a timely fashion? Please identify any areas where coordination or decision making could be improved in IT.
9. Does IT provide adequate training for newly implemented systems?
10. What are IT's greatest strengths? What are their primary weaknesses?
11. What barriers or challenges impede the services IT provides to your department?
12. What are IT's greatest opportunities for improvement? How could IT better fulfill your objectives, priorities, and needs?
13. Is there anything else you would like to add?

Ask if it is okay to call if you have questions -- let them know that a draft report will be available to METRO for review in April. Prior to issuing the draft report, we will discuss any significant findings with METRO staff.

Finance and IT Staff Interview Guide

INTERVIEWEE:**TITLE:****DATE:**

Introduction and overview of performance audit objectives and scope. Section 451.454 of the Texas Transportation Code requires that transit operators undergo a performance audit every four years to assess:

- compliance with the reporting of nine performance indicators:
 - operating cost per passenger
 - operating cost per revenue mile
 - operating cost per revenue hour
 - sales and use tax receipts per passenger
 - fare recovery rate
 - average vehicle occupancy
 - on-time performance
 - number of accidents per 100,000 miles
 - number of miles between mechanical road calls
- compliance with Chapter 451 and other applicable state law
- performance efficiency and effectiveness, this time focusing specifically on two functional areas: IT and Finance (including Budget Services, Grant Programs, Accounting, Treasury Services).

The audit review period covers fiscal years 2009, 2010, 2011, and 2012 -- the period of time from October 1, 2008 through September 30, 2012.

1. Start by having the interviewee provide an overview of their responsibilities.
2. What are your most important priorities?
3. What have been your major accomplishments over the audit period?
4. What have been your major challenges? Are there areas of perceived problems or opportunities for improvement?
5. What are the current goals and objectives of your division?
6. How is your division's performance measured and reported?

7. **For IT:** Who are your customers – i.e., the divisions/functions that you support? How do you support them in performing their responsibilities for METRO? What systems do you support on their behalf?
- For Finance:** Who are your customers? Who uses the results of your work? How do you support them and their METRO responsibilities?
8. Are there barriers or challenges that impede your service to your customers, either inside or outside METRO? What are the greatest opportunities to improve the service you provide?
9. In your opinion, what changes or features are needed to help you better serve your customers?
10. Are there communication issues that impact your work efforts? Are there ways that communication could be improved?
11. Are there organizational issues that make your job more difficult? Are there areas of unnecessary duplication or overlap of activities or reporting that impact your work efforts or are unnecessary? If so, what are they and how would you correct them?
12. Are there areas where coordination or decision-making could be improved? If so, please describe.
13. The performance indicators that must be reported to the State as part of the performance audit and indicators that are reported regularly to the Board require data such as:
- Unlinked boardings, by mode
 - Revenue miles
 - Total (hub) miles
 - Revenue hours
 - Sales and use tax receipts (budget, actual)
 - Grant revenue (budget, actual)
 - Operating cost (budget, actual), by division, mode, line item
 - Fare revenue (budget, actual)
 - Passenger miles
 - On-time performance, by mode
 - Accidents, by mode
 - Security incidents
 - Mechanical road calls
 - Complaints

Questions for the Finance divisions:

Are you responsible for collecting and maintaining any of these data? Where do you get the data? What systems are used to collect the data and calculate the performance indicators? How is the data manipulated after it is retrieved from the source systems? How is that system maintained and archived?

Is the process for deriving these data and the performance indicators documented?

Do you trust the numbers are accurate and consistent?

Do you trust that the numbers will be available and the same if you need them again in a year, in ten years?

Questions for IT:

What systems contain the data required to calculate performance indicators that must be reported to the State as part of the performance audit, as well as indicators that are reported regularly to the Board?

How is the data in these systems archived?

How is the data accessed by internal customers for reporting purposes?

Who is responsible for supporting the users of these systems?

14. Anything else you would like to add?

Ask if it is okay to call if you have questions -- let them know that a draft report will be available to METRO for review in April. Prior to issuing the draft report, we will discuss any significant findings with METRO staff.

Appendix C: Documents Reviewed for Task 3

Document Title	Date
Budget Services Division – Satisfaction Survey	August, 2012
Business Plan and Budgets Fiscal Year 2008 – Authority Level Organization Chart	
Business Plan and Budgets Fiscal Year 2009 – Authority Level Organization Chart	
Business Plan and Budgets Fiscal Year 2009	October 16, 2008
Business Plan and Budgets Fiscal Year 2011	September 23, 2010
Capital Investment Selection Methodology: A strategic and integrated Approach to Enterprise Investment Planning	January 2010
Comprehensive Annual Financial Plan for the Years Ended September 30, 2012 and 2011	March 22, 2013
Current FY 2013 IT Projects List	
Finance Department FY 2013 1 st Quarter Review	
Finance Scorecard –FY 2011	
Finance Scorecard – FY 2012	
FY 2009 Year End Financial & Management Report – Fiscal Year Ending September 30, 2009	October 16, 2009
FY 2011 Monthly Board Report (4 th Quarter Fiscal Year to Date)	October 28, 2011
FY 2012 Business Plan and Budget – Positioning the New METRO for the Future	September 26, 2011
FY 2012 Monthly Board Report (4 th Quarter Fiscal Year to Date)	October 15, 2012
FY 2012 Sustainability Plan	October 30, 2011
FY 2013 Business Plan and Budget	September 25, 2012
FY 2013 Sustainability Plan	
FY 2013 – 2016 IT Technology Plan Summary	
IT Emergency Response – Phone Coverage Procedure	April 20, 2012
IT Escalation Procedure	February 6, 2007
IT Peer Review	
IT Staff Seniority List	
IT Staff List FY 09 – FY 12	
IT Technology Work Plan	
Market Survey of Salary Levels	February 2012
METRO Department Balanced Scorecards 4 th Quarter End-of-Year Highlights	October 2011
METRO Business Plan and Budgets FY 2010	September 2009
METRO Business Plan and Budgets FY 2010 – Department of Finance	
METRO Business Plan and Budgets FY 2011 – Department of Finance	
METRO Business Plan and Budgets FY 2010 – Department of Information Technology	
METRO Business Plan and Budgets FY 2011 – Department of Information Technology	
METRO Draft Final Salary Survey Report	March 27, 2012
METRO’s Information Technology Project Management Processes and Procedures	

METRO Monthly Board Report – September 2008	October 14, 2008
METRO Monthly Board Report – September 2009	October 13, 2009
METRO Monthly Board Report – September 2010	October 15, 2010
METRO Organization Charts	October 1, 2012
METRO Organizational Chart as of February 28, 2009	February 28, 2009
METRO FY 2012 Scorecard (4 th Quarter)	
Project Classification by Procurement Department	December 27, 2012
Sustainability Plan FY 12 Year-End Status Report (9/20/12)	January 2013
Turnover Reports for finance and IT Departments – FY 09 – FY 12	February 21, 2013
Year End Financial & Management Report – Fiscal Year Ending September 30, 2010	