

**METRO MANAGEMENT RESPONSES TO
FISCAL YEAR 2020 – FISCAL YEAR 2023 STATE REQUIRED PERFORMANCE AUDIT
OF THE METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS**

I. INTRODUCTION

Pursuant to Chapter 451, Section 451.454 of the Texas Transportation Code, METRO must have an independent auditor conduct a performance audit every four years. The audit must include three elements, as follows:

1. Examination of compliance with Chapter 451 and other state laws
2. Review of state-defined performance indicators
3. Performance audit of one of three specified areas – transit operations; system maintenance; or administration/management.

Administration and Management was selected as the area for this performance audit.

Upon completion of the audit, management must prepare a written response to the report. The response must identify the recommendation status as pending, adopted, or rejected. The final report for the period from Fiscal Year 2020 through Fiscal Year 2023 has been completed by an audit team headed by McConnell & Jones, LLP and contains four recommendations. The attached document is the METRO management responses to these recommendations.

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II. RECOMMENDATIONS

TASK 1: COMPLIANCE REVIEW

***Finding 1** – The SOP or other energy management guideline was not provided which documented that METRO’s energy reduction goal was five (5) percent annually. SB 898 Reporting form (82R) is required to be filed every year with the State Energy Conservation Office (SECO). However, the last report on file is for 2019 and signed on October 29, 2020. Facilities staff indicated that the 2019 form was sent to SECO in September 2023. The Energy Manager position has been vacant for over one year.*

Recommendation: Develop and implement an energy management SOP to document roles and responsibilities to ensure compliance with regulatory requirements including filing forms with SECO and documenting METRO’s energy reduction goals and action plan. Also, fill the energy manager’s position so that the duties required for the position can be implemented immediately.

Recommendation Status: Adopted

Management Response: Facilities Maintenance will develop an Energy Management SOP to document the roles and responsibilities based on the audit recommendation to ensure reporting in a timely manner. The Energy Manager position was filled on December 2, 2024.

Implementation Date: September 30, 2025

Responsible Department: Safety Department - Facilities Maintenance Division

***Finding 2** – METRO provided proof of delivery of the annual financial audit reports to the designated agencies for FY2020, but not for FY2021, FY2022 or FY2023.*

Recommendation: Establish a process to ensure that assigned staff verify and maintain documentation that appropriate parties receive the Annual Financial Audit report by the due date.

Recommendation Status: Adopted

Management Response: METRO’s Government Affairs Division has established a process to distribute the audit and to document the parties in receipt of the audit.

Implementation Date: December 17, 2024

Responsible Department: Government Affairs Division

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Finding 3 – *The agency provided verification that the 2021 Performance Audit Report was emailed to the appropriate government recipients. However, the Performance Audit Report was submitted after the February 1st deadline.*

Recommendation: Implement a procedure to ensure that the Performance Audit Report is delivered to the appropriate parties by the due date.

Recommendation Status: Adopted

Management Response: METRO’s Government Affairs Division has established a process to distribute the audit by the appropriate date and to document parties in receipt of audit.

Implementation Date: December 17, 2024

Responsible Department: Government Affairs Division

TASK 2: PERFORMANCE INDICATOR REVIEW

No Findings

TASK 3: ADMINISTRATION AND MANAGEMENT REVIEW

Finding 4 – *The HR Department partially met expectations for Subtask 3.2.1 as most of the Human Resources’ policies and procedures provided were not updated on a timely basis in accordance with METRO’s internal review schedule.*

Recommendation: Review and update Staffing and OD Division policies and procedures timely every three (3) to five (5) years or based on the required review period to ensure management practices are relevant and effective.

Recommendation Status: Adopted

Management Response: Most of the policies and procedures for both the Staffing and OD divisions are up to date in accordance with METRO’s internal review schedule.

The Staffing policies listed on p. 71 of the audit report and shown as “not reviewed timely” are all included in the Staffing Manual, which was initially developed in 2018 with ongoing updates through 2023.

The OD policy listed on p. 73 of the audit report, “Maintenance of Employee Training Records Guidelines”, is now current and is not due for review and/or update until July 2025.

Implementation Date: Policy was updated in October 2023.

Responsible Department: Human Resources Department