

MEMORANDUM

DATE: September 24, 2008
TO: Metropolitan Council Audit Committee
FROM: Katie Shea, Director of Program Evaluation and Audit
SUBJECT: Director's Report for September 2008

Some matters of interest to the Audit Committee occurred during the preceding quarter, but would not normally be included in a formal audit report. However, I thought it would be helpful to include them here to make the committee aware of them for future reference.

Legislative Auditor Review of General Obligation Bonds

The Council was included in a statewide review of agency spending of general obligation bond funds. The initial review included three different Council projects, but only one, Parks, had any issues found. The issues were fairly minor accounting issues, and are already being corrected. No other areas examined, including the Central Corridor Project, had any findings. Since the Council is only one area of review in a much larger report, it is not clear if it will be specifically mentioned in the OLA's report. However, if it is, then the Council will have an opportunity to submit written responses about any statements made about the Council in the report.

Laptop Encryption Requirement

After a number of issues where government-owned laptops containing private or non-public data were stolen on laptops removed from cars, offices and homes, the State's CIO issued a policy requiring encryption of all data stored on laptop computers. Recently, the Governor's office strongly reiterated the requirement. The Regional Administrator requested that Program Evaluation and Audit check the Council's compliance and determine if we were in keeping with the state policy and our laptops were encrypted as they should be.

We sampled laptops throughout the Council and checked them for encryption. We determined that the Council is in compliance with the state policy and that laptops throughout the organization have been encrypted as required.

Federal Reviews

As you know, the Federal Transit Administration periodically conducts reviews of the Council's transportation activities related to specific federal requirements. One occurred since our last meeting and another is underway.

In June, a team hired by the FTA visited the Council to audit our compliance with Title VI of the Civil Rights Act. We have not yet received their report, but when we do, the Council will have 30 days to prepare corrective actions for any findings and then the final report will come to this committee.

Currently, another team hired by the FTA is conducting a Procurement Systems Review of the Council's transportation functions. The cycle for that review is the same. Again, we would anticipate that the final report would come to the Audit Committee.

Potential Issues for the Next Meeting

At our next meeting December 10, 2008, we would hope to have a draft of our risk and audit plan for 2009 for your review and comment, as well as some additional reports and, hopefully, results from some of the federal audits that have been completed during this calendar year.