

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, Minnesota 55101

QUARTERLY MEETING OF THE AUDIT COMMITTEE
Wednesday, September 23, 2009

Committee Members Present Chair, Lynette Wittsack, Chuck Denninger, Gene VanOverbeke, Dan Wolter, Sherry Broecker, Matt Smith

CALL TO ORDER

A quorum being present, Committee Chair Lynette Wittsack called the quarterly meeting of the Council's Audit Committee to order at 12:02 p.m. on Wednesday, September 23, 2009.

APPROVAL OF AGENDA AND MINUTES

It was moved by Sherry Broecker, seconded by Chuck Denninger to approve the agenda. **The motion carried.**

It was moved by Chuck Denninger, seconded by Sherry Broecker to approve the minutes of the June 10, 2009 quarterly meeting of the Audit Committee. **The motion carried.**

INFORMATION

1. Director's Report

Katie Shea, Director of Program Evaluation and Audit, announced the departure of Celina Davidson, Celina is now working in the Office of GAO in Washington, DC. Katie also introduced Celina's replacement, Brian Hanninen, who will join the audit team in October.

2. FTA Triennial Review

Katie Shea gave a presentation to the Audit Committee of the Federal Transportation Administration's Triennial Review that covers 23 areas of compliance affecting Metro Transit and MTS. The review is conducted every 3 years. The FTA completed the site visit portion in 3 days. Out of over 300 potential findings we had 7. None were structural, and none constitute a material lapse in internal controls. All 7 corrective actions are complete or on track for completion and we anticipate closeout by years end.

BUSINESS

1. 2009-A04 Payroll

Audit Team Leader, Arleen Schilling gave a presentation of the report to the Audit Committee. It was moved by Sherry Broecker, seconded by Chuck Denninger to accept the report. **The motion carried.**

2. 2009-A01 Metro Transit – Urban Partnership Agreement (UPA) Procurement and Project Review

Audit Team Leader, Bob Lundberg gave a presentation of the report to the Audit Committee. Tom Thorstenson, Manager Engineering at Metro Transit, helped answer questions the Audit Committee had about the program. It was moved by Gene VanOverbeke, seconded by Dan Wolter to accept the report. **The motion carried.**

3. 2009-A02 Central Corridor Light Rail – Direct Cost

Auditor II, Tim Dykstal gave a presentation of the report to the Audit Committee. Jim Alexander, Design Manager for the Central Corridor Project, helped answer questions about direct costs. The Audit Committee voiced concerns regarding unreasonable travel expenses being submitted for reimbursements at the project office for the Central Corridor. The Audit Committee moved to conduct a broader review of consultant airfares at CCPO; the methodology was left up to the professional judgment of the auditors to determine. It was moved by Sherry Broecker seconded by Chuck Denninger to accept the motion. **The motion carried.** The Audit Committee moved to recoup unreasonable expenses related to all airfares in the sample as reported. It was moved by Sherry Broecker seconded by Chuck Denninger to accept the motion. **The motion carried.** It was moved by Chuck Denninger seconded by Gene VanOverbeke to accept the report. **The motion carried.**

4. 2009-A03 Metro Transit – Physical Inventory Audits

Bob Lundberg gave a presentation of the report to the Audit Committee. Chris Haefner, Material Manager at the Overhaul Base helped answer questions related to cycle counts inaccuracies. It was moved by Matt Smith seconded by Gene VanOverbeke to accept the report. **The motion carried.**

Next Audit Committee meeting will be scheduled for January 2010.

ADJOURNMENT

Business completed, the meeting adjourned at 2:11 p.m.

Respectfully submitted,

Mary Weems
Recording Secretary