

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

REGULAR MEETING OF THE AUDIT COMMITTEE
Wednesday, January 13, 2010

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

CALL TO ORDER

A quorum being present, Committee Chair Lynnette Wittsack called the quarterly meeting of the Council's Audit Committee to order at 12:00 p.m. on Wednesday, January 13, 2010.

APPROVAL OF AGENDA AND MINUTES

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

It was moved by Chuck Denninger, seconded by Gene VanOverbeke to approve the minutes of the September 23, 2009 quarterly meeting of the Audit Committee. **The motion carried.**

INFORMATION

1. 2010-A04 Director's Report for Year End 2009 Katie Shea, Director of Program Evaluation and Audit gave an overview of the activities and performance of the Metropolitan Council's Program Evaluation and Audit Division. The Audit Committee was also informed of the Quality Assurance Review being conducted by an independent outside validator to assess whether Program Evaluation and Audit are in compliance with the Institute of Internal Auditing Standards. The QAR should be completed in March of 2010. The Audit Committee was advised to look for the QAR report to be on the next Audit Committee Meeting Agenda, scheduled for April 28, 2010.

BUSINESS

1. 2010-A05 Director's Risk Assessment and Audit Plan for 2010 Katie Shea gave an overview of the Metropolitan Council's risk assessment for 2010 and the Audit Plan to address those risks. It was moved by Dan Wolter, seconded by Sherry Broecker to approve the Risk Assessment and Audit Plan for 2010. **The motion carried.**
2. 2010-A01 Metro Transit- Bus/Rail (Modal) Allocations Audit Robert Lundberg, Audit Team Leader gave a presentation of the report to the Audit Committee. Bob was joined by Ed Petrie, Senior Manager Metro Transit, to answer questions the Audit Committee had about the report. It was moved by Sherry Broecker, seconded by Matt Smith to accept the report. **The motion carried.**
3. 2010-A02 Human Resource Department Review Arleen Schilling, Audit Team Leader gave a presentation of the report to the Audit Committee. Arleen was joined by Gloria Heinz, Director Human Resources in answering questions the Audit Committee put forth about the report. It was moved by Chuck Denninger, seconded by Sherry Broecker to accept the report. **The motion carried.**
4. 2010-A03 Metro Transit- Construction Contract Audit Bob Lundberg gave a presentation of the report to the Audit Committee. It was moved by Gene VanOverbeke, seconded by Dan Wolter to accept the report. **The motion Carried.**

OTHER BUSINESS

1. MN State Auditor's Entrance Conference FY End 2009 MN State Auditors Randy Vogt and Amy Ames were here to comply with the SAS No.114 that establishes communication requirements between auditors and those charged with governance. At the Metropolitan Council the State Auditors identified those charged with governance to be the members of the Metropolitan Council and the Audit Committee. Randy gave an overview of the Auditors' responsibilities, the Client's responsibilities, Overview of the planned scope and timing of the audit, Findings to be communicated to both the Management and Audit Committees at the

June 23, 2010 meetings, and items to be communicated to those charged with governance in a separate letter at the conclusion of the audit. The Audit Committee was also advised that the receipt of federal stimulus (ARRA) funds will require the auditors to do more Single Audit work at the Council than they would normally do, possibly four programs instead of two. Other items reviewed will be an update on prior year management letter comment: Audit Adjustments (#07-1).

ADJOURNMENT

The next Audit Committee Meeting is scheduled for **April 28, 2010**. Business completed, the meeting adjourned at 2:03 p.m.

Respectfully submitted,

Mary Weems
Recording Secretary