

# Audit Committee

Meeting date: August 23, 2011

## ADVISORY INFORMATION

<b>Date:</b>	August 23, 2011
<b>Subject:</b>	Final Audit Plan for 2011
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Audit Charter, IIA Standard 2010, 2020
<b>Staff Prepared/Presented:</b>	Arleen Schilling/Mary Bogie
<b>Division/Department:</b>	Program Evaluation and Audit

### Proposed Action

That the Audit Committee accept the proposed Final Audit Plan for 2011 as the direction for the Program Evaluation and Audit Division.

### Background

The Metropolitan Council's Audit Charter and the Institute of Internal Auditor's *Internal Standards for the Professional Practice of Internal Auditing* require that the Chief Audit Executive/Director develop, in consultation with organizational leadership, an annual assessment of risks to the organization and an audit plan for the review and approval by the Audit Committee. On February 9, 2011, the Audit Committee accepted the 2011 Risk Assessment and a Preliminary Audit Plan for 2011.

### Rationale

By using an inclusive and consultative process, the Risk Assessment provides a means for creating a risk profile for the Council and all of its diverse functions. By doing so, it enables the Director to develop an audit plan which targets audit resources to those areas where they can provide the greatest benefit to the Council.

Leadership teams from all areas of the Council, including Transportation, Community Development, Environmental Services, and Regional Administration, are involved in development of the risk assessment and audit plan, helping to ensure that the resulting plan represents a broad, but inclusive view of the organization.

The Final Audit Plan Document is attached for review and discussion.

### Known Support / Opposition

None.

# AUDIT PROJECTS FOR 2011

## Objective

This plan reflects activities where the risk assessment indicates a high priority and high risk for the Council. Approximately 70% of all auditors' time is allocated to this plan. The remaining 30% is left open to allow for consultations, client requests and investigations where needed.

Program Evaluation and Audit proposes to audit the following topic areas during 2011.

## Transportation

Metro Transit advertising contract

Central Corridor (Green Line) change orders for Advanced Traffic Improvement Project and Advanced Utility Relocation Project

Central Corridor (Green Line) change orders for major construction contracts

Central Corridor (Green Line) Project sales tax refund process

Central Corridor (Green Line) Project contractor wage audit

Central Corridor (Green Line) Project sub recipient monitoring process

Metropolitan Transportation Services federally funded sub recipient audits- Four projects

Metropolitan Planning Organization review

## Environmental Services

Inflow and infiltration grants

Blue Lake construction project

## Regional Administration

Councilwide service contracts

Network security

Allocation of centrally provided services

Oracle WAM and TX Base approval processes

In addition, Program Evaluation and Audit performs the following recurring audits each year, at the request of the client organization.

## Requested Projects (Recurring)

Transit Farebox Reviews (all garages within the year)

Transit Store Cash Counts (twice per year)

Transit stockroom inventories

Parks Operating and Maintenance Cost Reviews

Environmental Services Overhead Rate Verifications

Federal Railroad Administration Incident Injury Review