

DATE: Wednesday, October 24, 2012
TO: Audit Committee
FROM: Katie Shea, Director of Program Evaluation and Audit
SUBJECT: Director's Report

June Reports

At the Committee's June meeting, lacking a quorum, reports were presented, but not formally approved. Approving the three reports discussed in June is the first item on the October meeting agenda. As a reminder of the topics covered in those reports, staff has prepared brief summaries of each report. We are happy to address any questions you might have concerning the June reports. The reports are:

- **State Auditor's Annual Audit for Year-end 2011 -- Katie Shea**
- **Green Line Prevailing Wage Audit – Bob Lundberg**
- **Metro Transit Lost and Found Review – Bob Lundberg**

Staffing Update

At the time of our last meeting, I was in the process of hiring new staff for two vacant positions. I am pleased to announce that the vacancies have been filled with two extremely well-qualified applicants. Josiah Waderich interned in our department in 2011-2012. We are happy to welcome him back as a full-time auditor. Josiah will be presenting his final internship project to the Committee today(although he is no longer an intern). Cedrick Baker comes to us from Atlanta to be the audit staffer at the Central Corridor Project Office. I am confident that both of these new staff members will be excellent additions to our team.

Audit Plan Status

An updated project tracking sheet is attached to this memorandum for your review. As you'll see, it has been a productive year for us.

There were 19 audit projects on the 2012 Audit Plan approved by the Committee at its first meeting this year. To date, 6 of the 19 projects (32%) have been completed. 12 have either been completed or are already in progress (64%). Only three projects of the original 19 are still to be assigned.

In addition, Program Evaluation and Audit completed 18 projects requested by management. Requested projects typically are of some urgency and were not expected at the time of the risk assessment and audit plan for the year. Given the urgent nature of the requests, we make an effort to fulfill as many as we can. It is notable that our customer satisfaction surveys consistently rate requested projects as an area where our services are highly valued.

We also coordinated several outside reviews of the Council this year:

- Federal Transit Administration (FTA) Triennial review,
- FTA Procurement Systems Review (to be discussed at today's meeting),
- Review of payments under the requirements of the Improper Payments Act.
- FEMA review of Transit Security Grant.
- Annual Audit by the Office of the State Auditor (year-end 2011).

I anticipate that we will complete all of the projects on the audit plan by year's end, although some 2012 projects will be reported to the Committee in January 2013.