

A low-angle, close-up photograph of a white and blue Sound Transit train. The train is moving, as indicated by the blurred background. The windows are dark, reflecting the sky. The train's body is white with a prominent blue stripe running along the side. The text "SOUND TRANSIT" is visible on the side of the train in large, white, bold letters. The overall scene is brightly lit, suggesting a sunny day.

# Internal Audit Division Quarterly Update

Audit and Reporting Committee

December 15, 2016

**SOUND TRANSIT**

# Internal Audit Update

- Internal Audits Completed
- Internal Audits In Progress
- 2017 Internal Audit Work Plan
- Potential Topics for the 2017 Performance Audit



Internal Audits Completed

# Audits Completed

- Wireless Device Program (Follow-Up)
- Construction Change Order (Follow-Up)
- Records Management
- Diversity Program Reporting



# Audits Completed – Wireless Device

## Audit Objective

To determine whether management has taken effective corrective actions to address the 2013 audit finding.

## Audit Conclusion

One Reportable Condition

- Management has not taken effective corrective actions to address the 2013 audit finding.



# Audits Completed – Construction Change Order

## **Audit Objective**

To determine whether management controls are effective to prevent/detect duplicate change orders and incomplete change order packages.

## **Audit Conclusion**

No Reportable Condition



# Audits Completed – Records Mgmt.

## Audit Objective

To determine whether

- Departments/Divisions have effective document controls to create, use, and store records during the active phase.
- The Records Management Division has effective controls for retaining and disposing inactive records during the archival phase.

## Audit Conclusion

One Reportable Condition

- Controls over storage, retention, and disposition of records are not adequate due to lack of agency wide procedures.



# Audits Completed – Diversity Program Reporting

## Audit Objective

To determine whether:

- OSBDLC has an effective process to determine a DBE goal in compliance with applicable federal and Sound Transit requirements.
- OSBDLC has effective management controls to ensure timely, complete, and accurate submission of the semi-annual Uniform DBE and triennial Title VI reports to FTA.

## Audit Conclusion

No Reportable Condition



The image shows the front of a white bus with a wheelchair lift extended. The bus has a wheelchair symbol on the top left of the windshield. The lift is a metal frame with a seat and handrails, positioned in front of the bus. The entire image is overlaid with a dark blue tint. The text "Internal Audits in Progress" is written in white, sans-serif font across the middle of the image.

Internal Audits in Progress

# Audits in Progress

- 2016 Performance Audit of the Job Order Contracting (JOC) Program
- Indirect Cost Rate (Follow-Up)
- Facilities Service Contract Monitoring
- Payment Accuracy
- Two EC/MC/CM Close-Out Audits

The image shows the front of a bus with a wheelchair lift extended. A blue tint is applied to the entire image. The text 'Topics for the 2017 Internal Audit Work Plan' is overlaid on the left side of the image.

# Topics for the 2017 Internal Audit Work Plan

# Topics for 2017 IA Work Plan

- IT Asset Management
- Misc. Revenues
- Indirect Cost Payments for Co-located Consultants
- Federal Grant Drawdown
- Non-Regular Compensation (e.g., overtime, stand-by)
- Non-Revenue Vehicles
- Asset Management System
- Prior Audit Follow-Ups
  - Partner Cost Monitoring
- Continuous Monitoring (e.g., goods/services/P-card/emp. pmts)
- Non-Construction Change Orders
- Construction Contract Reviews: GC/EC/MC/CM and others
- Management Requests

The image shows the front of a bus with a wheelchair lift extended. A blue tint is applied to the entire image. The text 'Potential Topics for the 2017 Performance Audit' is overlaid on the left side of the image.

# Potential Topics for the 2017 Performance Audit

# Potential Topics for 2017 Performance Audit

- Construction Budgets
- Real Property Acquisitions
- Construction Scheduling
- Consultant Co-Location

The image features a dark grey horizontal banner across the center. On the left side of the banner is the Sound Transit logo, which consists of a white stylized 'S' and 'T' symbol. To the right of the logo, the words 'SOUNDTRANSIT' are written in a bold, white, sans-serif font. Below 'SOUNDTRANSIT', the slogan 'RIDE THE WAVE' is written in a smaller, white, sans-serif font. The background of the entire image is a close-up of a transit vehicle with a white upper section and a blue lower section, separated by a wavy teal and blue graphic. The vehicle has several dark windows and some small white signs.

**SOUNDTRANSIT**  
RIDE THE WAVE