

## **Sound Transit Citizen Oversight Panel Meeting Summary November 7, 2019**

**COP Members Present:** Sharon Grader, Scott Lampe, Dan Parker, James Peyton, Helen Powell, Bill Roach, Dan Santon, Larry Sauvé, Paul Thompson

**COP Members Absent:** Fred Auch, Janice Berlin

Others Present: Kathy Albert, members of the public

### **Internal Audit**

Gana Byambaa, Acting Director of Internal Audit, with support from members of the Internal Audit staff, gave an overview of Sound Transit's Internal Audit division function. Each of the Agency's plans contains a section for Financial Policies. Within the Financial Policies section, there is a requirement for public accountability that includes an annual independent audit of financial statements, a performance audit program, and monitoring of performance and financial plans by the COP, which submits a written year-end report on its findings and recommendations to the Board.

Accountability over public funds is based on a three lines of defense model. The first line of defense is the front line staff and operational management, which is responsible for internal control measures and risk management. The second line of defense is provided by various risk management and compliance functions that support the first line to identify, manage and monitor risks. The third line of defense is provided by the internal audit function, which provides a level of independent assurance that the risk management and internal control framework is working as designed.

Sound Transit performance audits are performed in accordance with Generally Accepted Government Auditing standards (the Yellow Book), and in accordance with standards developed by the International Professional Practices Framework of the Institute of Internal Auditors (the Red Book). In addition, the Internal Audit division adheres to relevant Agency policies and procedures and its own internal policies and procedures manual.

The Agency's Internal Audit division provides independent and objective consulting services to strengthen and improve the management and operations of the Agency. The Division assists Sound Transit in achieving Agency goals and objectives through a systematic and disciplined approach to evaluate and improve the efficiency and effectiveness of its management, business practices, risk management, controls, and regulatory compliance, and to ensure public accountability.

Internal audits are currently underway to assess partner cost monitoring with Pierce Transit, budgeting during project development, work order processes at the Operations and Maintenance Facility, and review of the quality assurance/quality control program. A 2019 performance audit of workforce performance management was approved by the Finance and Audit Committee and is being conducted by Moss Adams. The State Auditor's Office is also conducting an audit of the Agency's oversight and management of the design and construction of voter approved system expansion projects.

A preliminary list of 2020 internal audit topics has been identified, which includes three topics included in the 2019 audit plan that were deferred because of staffing shortages in the Internal Audit division:

- Construction change orders
- Construction contract procurement process
- Use of construction contingency
- State of good repair management
- Consultant on/off boarding practices
- Interlocal government agreement management
- IT asset management, including small and attractive assets
- IT vendor management
- IT project management
- IT information security governance

A preliminary list of 2020 performance audit topics has also been identified:

- Construction performance metrics management
- Supervisory control and data acquisition (SCADA)

### **Equity Strategy Presentation**

Jackie Martinez-Vasquez, Chief Equal Employment Opportunity (EEO) & Inclusion Officer, and Alison Smith, Manager of Inclusion & Culture, gave an update on Sound Transit’s equity strategy, which is managed through the Office of EEO, Equity & Inclusion (the EEO Office). The mission of the two-year-old EEO Office is “to ensure an equitable system that grows and sustains a diverse workforce, fosters an inclusive culture and builds organizational capacity.”

Capacity building through professional development is a key strategy through which the mission will be implemented. By the end of 2019, a majority of the Agency’s managers and supervisors will have completed training in EEO policies and regulations, undertaken leadership training on inclusiveness and equity, and participated in the Undoing Institutional Racism (UIR) workshop. About 100 additional staff are on waiting lists for the UIR training.

An Equity Steering Committee has been created, which is made up of 13 leaders representing various departments. The Committee includes four subcommittees: Equitable Engagement, Racial Equity Analysis Tool, Internal Equity Policy and Equitable Employee Experience. Each subcommittee has executive sponsors and specific goals that are designed to assure continued progress toward inclusion and equity, within and outside the Agency.

Externally, Sound Transit works with King County Metro and the City of Seattle’s Transportation Equity Network to develop fair representation among decision-makers, identify progressive funding sources and policies, design affordable fares, target investments to improve access, housing and affordability, minimize public health impacts, and reduce inequitable enforcement.

Next steps for the EEO Office include follow-up from the first Sound Transit Equity Summit, held October 28, 2019, at the Georgetown Campus of South Seattle Community College, development of a community engagement plan, and roll out of the 2020 work plan.

### **Discussion**

There was discussion of the COP’s work in relation to the Internal Audit division the Finance and Audit Committee. COP members appreciated the update from the EEO Office, which is doing important work

that isn't necessarily easy to quantify. There was interest in the extent to which the Agency's contractors are also participating in equity-related initiatives.

The October 31, 2019, COP meeting summary was approved.

### **Member Reports**

Larry Sauvé reported that he would be attending a previously noted breakfast meeting of the Downtown Seattle Association at which the topic of Third Avenue street improvements would be addressed.

James Peyton noted that he had recently taken light rail through the Downtown Seattle Transit Tunnel with an out of town guest and in the process realized that signage in the tunnel could be improved.

Helen Powell also commented about signage on buses and trains and noted that maps should be visible from all seats.

### **2019 Focus Areas**

- Adequacy and appropriateness of system access to stations
- Ridership on Sounder North
- Social equity
- Awareness of emerging technologies and their impacts
- Labor costs and labor supply
- Publicizing of peer comparison data
- Asset management
- Reliability and availability of federal, state, local and third party funding sources
- Customer experience focus that includes the entire region and all of the transit agencies within it
- Customer experience metrics that focus more specifically on the customer experience

### **Outstanding Questions**

- Federal Way Link – TOD related questions regarding property acquisition and station access

Next Meeting: Thursday, November 21, 2019, 8:30 – 11:00 AM, Santa Fe Room, Union Station