

Internal Audit Division Update & Review of Internal Audit Plan

Finance and Audit Committee

12/19/19

Why we are here

Today we are here to

- Provide information on 2019 Internal Audit activities
- Request a review of 2020 Internal Audit Work Plan
- Request the selection of one Performance Audit topic for 2020

2019 Internal Audit Activities

2019 Internal Audit Activities

Completed Audits – 2018 Work Plan Carry-over

- Fare Enforcement Complaints (no findings)
- Project Labor Agreement (one finding)

Completed Audits – 2019 Work Plan

- Small and Attractive Assets Process (no findings)
- Construction Progress Payment Processing (no findings)
- Construction Configuration Management (one finding)
- Partner Cost Monitoring – King County Metro (one finding)
- Continuous Process Improvement Program (no findings)

2019 Internal Audit Activities

Audits in Progress – Expected Completion Q1 2020

- Partner Cost Monitoring – Pierce Transit;
- Budgeting During Project Development;
- Work Order Process at OMF;
- QA/QC Assurance Program

Audits Deferred to 2020

- Information Security Governance
- Use of Construction Contingency
- IT Project Management

2019 Performance Audit Update

Update on 2019 Performance Audit

Workforce Performance Management

The audit objectives are:

- To determine whether agency employee performance management practices are in alignment with best practice to sustain a high-performance workforce.
- To identify opportunities for continuous improvement with practical recommendations.

The audit is scheduled to be completed by early 2020.

Update on 2019 Performance Audit Performed by State Auditor's Office

Ensuring Effective Oversight & Management of Sound Transit Projects

- The SAO plans to publish the audit results in early 2020.

Prior Audit Issue Status

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Completed Audit Follow-ups

- Facilities Services Contract Management (Issued Mar. 2017)
- Non-revenue Vehicle Program (Issued Mar. 2018)
- Miscellaneous Revenues (Issued Mar. 2018)
- Noncompetitive Contracts Procurement (Issued Sep. 2018)

Ongoing Audit Follow-ups

- A&E Indirect Cost Rates (Issued Mar. 2017)
- Co-located Consultants (Issued Aug. 2017)
- IT Asset Management (Issued Mar. 2018)

Prior Audit Issue Status

Ongoing Audit Follow-ups cont.

- Asset Disposals Audit (Issued Dec. 2018)
- Small Capital Projects Audit (Issued Dec. 2018)
- Project Labor Agreement Audit (Issued Jun. 2019)

To be Followed-up in Q1 2020

- Configuration Management (Issued Oct. 2019)
- Partner Cost Monitoring – King Count Metro (Issued Oct. 2019)

- Prior audit issues are followed up after 90 days of audit report issuance. Q4, 2019 internal audits with findings will be followed up sometime early 2020.

2020 Internal Audit Work Plan

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1. Use of Construction Contingency*
2. Information Security Governance*
3. IT Asset Management including Small & Attractive Assets
4. IT Vendor Management
5. Construction Change Orders
6. State of Good Repairs Management
7. Consultant on/off boarding practices
8. Interlocal Government Agreement Management
9. Construction Contract Procurement Process
10. Employee travel practices
11. Follow-up reviews of prior audit issues
12. Management requests

* Carryover from 2019 work plan

2020 Performance Audit Topics

2020 Performance Audit Topics - options

The Committee selects a 2020 Performance Audit from the following proposed topics

- Construction Performance Metrics Management
- Supervisory Control & Data Acquisition (SCADA)

Thank you.



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