

SOUND TRANSIT

MOTION NO. M2002-99-1

A motion of the Board of the Central Puget Sound Regional Transit Authority adopting the recommendations of the oversight stakeholders group chaired by Board member Bob Drewel; establishing a Performance Audit Committee; and directing the Executive Director to facilitate the implementation of the Performance Audit Committee's activities, and superseding Motion No. M2002-99.

Background:

On November 29, 2001, the Sound Transit Board adopted an amendment to Resolution No. R2001-16 directing the Executive Director to study options for strengthening oversight of the agency. On January 24, 2002, the Executive Director reported a series of options to the Board, after which Chair Sims appointed Board member Drewel to lead a discussion of board members and interested stakeholders to identify a preferred approach.

The oversight stakeholder group met five times between January and June 2002. The group included Board members Drewel, Phelps, Mosher, Enslow, and Crawford; Citizen Oversight Panel representatives Carter, Shannon, Goldblatt, Shockey, and Elias; and Project Review Committee representatives Royer, Vaska, and Howell. The group felt that strengthening oversight would improve the quality of the agency's work and help regain public confidence.

On August 8, 2002, Board member Drewel reported the group's findings and recommendations to the Board. The primary recommendation is to create a Performance Audit Committee comprised of Board members, COP members, and five citizens with expertise in performance auditing – one from each subarea of the Sound Transit district – to plan, direct, and monitor performance-based audits focusing on agency deliverables and outcomes.

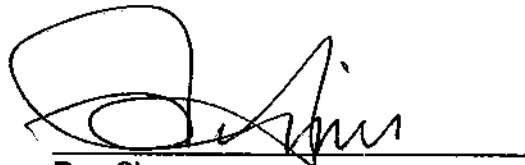
Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the findings of the oversight stakeholders group are adopted:

1. A Performance Audit Committee is established comprised of two members of the Sound Transit Board of Directors, two members of the Citizen Oversight Panel, and five independent citizens with expertise in performance auditing (one citizen from each subarea of the Sound Transit district).
2. The purpose of the Performance Audit Committee is to plan, direct, and monitor performance-based audits focusing on agency deliverables and outcomes. Specifically, the Performance Audit Committee will be responsible for:
 - A) Defining operating principles for the performance audit function,
 - B) Approving clear and concise scopes of work,
 - C) Recommending annual audit budget in terms of dollars and hours during the annual budget process,

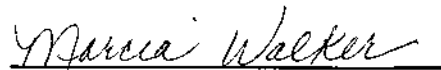
- D) Evaluating audit results and ensuring an internal review process,
 - E) Reporting audit results to the Sound Transit Board and its committees, Citizen Oversight Panel, and the public,
 - F) Assessing effectiveness of the performance audit function, and
 - G) Ensuring and reviewing Sound Transit's response to audit results.
3. The Performance Audit Committee will report its activities to the Sound Transit Board of Directors, in consultation with the Executive Director.
 4. Appointment of the Performance Audit Committee members will occur as follows: The two members of the Sound Transit Board of Directors shall be appointed by the Board Chair; the two members of the Citizen Oversight panel shall be appointed by the COP Chair; and the five independent citizens shall be appointed jointly by the Board Chair and COP Chair.
 5. The Executive Director is directed to gather nominations for the five independent citizen positions through consultation with Sound Transit Board members, the COP Chair, and the professional auditing community.
 6. The Executive Director shall review the qualifications of nominees and present the Board Chair and COP Chair with a slate of candidates for consideration and possible approval who meet the following criteria: understanding of Sound Transit's mission; knowledge and experience in performance audit processes; and experience in the public sector and large construction projects.
 7. The Executive Director shall develop and recommend performance audit policies, which will establish the principles, and processes by which the performance audit function will operate to be adopted by the committee.
 8. The Executive Director shall take the steps that are necessary to establish the Performance Audit Committee so that it can begin work in the first quarter of 2003.
 9. This motion supersedes Motion No. M2002-99.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 13, 2003.



Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator