



AUDIT DIVISION QUARTERLY SUMMARY REPORT

2nd Quarter 2020

MISSION AND PURPOSE

The Audit Division's mission and purpose is to provide independent, objective assurance and consulting services designed to add value across the agency, strengthen and improve how the agency is operated and managed, ensure public funds are managed transparently, and provide reasonable assurance that the agency is keeping its employees, contractors, and our riding public safe.

2020 Audits Completed to date:

Performance: 3 of 14



Compliance: 2 of 8



In Progress: 5

- **(P)** Information Security Governance
- **(P)** Consultant On / Off Boarding
- **(P)** Partner Cost Monitoring – Pierce Transit
- **(P)** Construction Contract Procurement
- **(C)** Light Rail Vehicle (LRV) Safety Certification Audit

WINS:

ST's Internal Safety Audit Program complies with federal, state, and agency guidance.

Safety Assurance Program Audit

Lead Auditor: Travis Carbon / Kayla Schoonhoven

AUDIT OBJECTIVES:

To determine whether the agency has effective controls in place to ensure:

- Are safety risks to passengers are identified, communicated and effectively mitigated;
- Does the Internal Safety Audit Program provide thorough assessment and comply with federal, state and agency guidance;
- Are safety issues monitored, followed-up, and are recommendations addressed in a timely manner.

The audit examined processes in place from January 1, 2017 to December 31, 2019.

WHAT WE FOUND:

Our audit concluded that issues and recommendations are monitored and addressed within a reasonable period of time. However, SQM's current 'hazard identification/risk management process' is not effective to ensure safety risks to passengers are proactively identified, communicated, and effectively mitigated.

AREAS FOR IMPROVEMENT:

- * Further refine the process for ensuring relevant hazard information is captured, maintained, and communicated throughout the project lifecycle;
- * Clarify existing roles and responsibilities of the hazard management process pertaining to streamlining the handover between pre-revenue to revenue services;
- * Clarify the existing process of how hazards are identified proactively;
- * Enhance the hazard mitigation process prior to revenue service.

UPCOMING AUDITS (To be completed by end of Q3 2020)

Performance:

- * Use of Construction Contingency
- * IT Asset Management (Small & Attractive)
- * Interlocal Governmental Agreement Management

Compliance:

- * Tacoma Link Light Rail Annual Modal Safety Audit
- * Northgate Link Safety Certification Audit on Construction Conformance
- * Lynnwood Link Safety Certification Audit on Design Conformance

Audit Division Staff

Patrick Johnson, Director
Sherise Williams, Project Coordinator

Performance Auditors:

Gana Byambaa, Sr. Performance Auditor
Travis Carbon, Sr. Performance Auditor
Soon Kwon, Sr. Performance Auditor
Kayla Schoonhoven, Staff Performance Auditor

Compliance Auditors:

Jim Ottman, Sr. Compliance Auditor
Javier Perez, Sr. Compliance Auditor
Michael Flood, Sr. Compliance Auditor
Dakota McGee, Staff Compliance Auditor (TEMP)

Standards of Work

Our work is performed to adhere to the mandatory elements of the Institute of Internal Auditors International Professional Practices Framework, as well as the oversight guidelines mandated by the Federal Transit Administration, Federal Railroad Association and WSDOT State Safety Oversight (SSO) Program Office for compliance.

These standards provide guidelines for staff training, audit planning, fieldwork, quality control systems for audit work, and reporting of results.

In addition, the standards require that Independent external auditors periodically review our policies, procedures, and activities to ensure that we adhere to these professional standards.

Work Order Process Audit

Lead Auditor: Soon Kwon

AUDIT OBJECTIVES:

To determine whether the agency has effective controls in place to ensure work orders are:

- Adequately captured in Enterprise Asset Management (EAM) system;
- Scheduled timely and completed;
- Properly monitored in accordance with agency policies and procedures

The audit examined management controls of the work order process from January 2017 to September 2019 and any additional management controls in place.

WHAT WE FOUND:

Our audit concluded that the agency does not have effective controls in place to adequately capture work order information in the Enterprise Asset Management (EAM) system; to ensure work orders are timely scheduled and completed; and properly monitored in compliance with agency policies and procedures.

AREAS FOR IMPROVEMENT:

- * Further developing clearer guidance, manuals and procedures for work order management
- * Update applicable Standard Maintenance Procedures to meet changing requirements of asset maintenance;
- * Develop Enterprise Asset Management (EAM) system policies and procedures manual;
- * Clearly define the criteria for work order performance in the maintenance procedures;
- * Develop better routine information sharing and communication paths with cross-functional teams