

## **2021 Finance and Audit Committee Work Program**

In 2021, the Finance and Audit Committee will focus on three areas: program realignment, transactional matters to oversee the agency's financial plan, financial statements, internal and external audits and internal controls, and topics of special interest to the committee.

### **Program Realignment**

The Finance and Audit Committee will review the agency's financial plan and review the financial analysis for the final program realignment plan.

### **Matters to oversee the agency's financial plan, financial statements, internal and external audits and internal controls**

This work includes committee actions required for continued oversight of Sound Transit's financial and audit programs. As in previous years, items will include committee consideration and votes to recommend actions to the Board, including:

- Agency financial plan and financial statements
- Internal audit program audits
- External audits including financial, accountability and performance audits
- Regular briefings to keep the committee informed and prepared for upcoming action items
- Other briefings as needed to monitor agency internal controls.

Sound Transit staff have compiled a projected list of specific actions they anticipate bringing before the committee for action by quarter, which is attached.

### **Topics of Special Interest to the Committee**

The Finance and Audit Committee will also explore additional areas that are topics of interest to members, responsive to changing circumstances or the public, or emerging issues.

- Realignment Financial Update, including update on TIFIA and financing costs
- Review financial analysis for final Realignment plans
- Fare Policy discussion
- TIFIA status update
- Discussion on transit operating cost trend and financial sustainability
- Enterprise Risk Management Program and risk coverage

### **Reports Provided to the Committee**

The Finance and Audit Committee will continue to receive quarterly agency progress reports on the current status of the financial plan, asset and liabilities management, internal audits, and other relevant matters.

*Representative schedule of actions and discussions, subject to change.*

### **First Quarter – March 18, 2021**

- ***Realignment Financial Update, including update on TIFIA and financing costs***
- Reports to Review
  - 2020 Year-end Financial Report (Q4)
  - Quarterly Asset and Liabilities Management Report
- Internal Audit Division Presentation
  - 2021 Audit Work Plan

### **Second Quarter – July 15, 2021**

- ***Review financial analysis for final Realignment plans***
- ***TIFIA status update***
- State Auditor's Office - Report on 2020 Performance Audit results
- Review 2020 Financial Audit Report
- Reports to Review
  - Annual Green Bonds Report
  - Quarterly Financial Report (Q1)
  - Quarterly Asset and Liabilities Management Report
- Internal Audit Division Presentation
  - Completed internal audits (Q1)

### **Third Quarter – October 21, 2021**

- Review Proposed 2022 Budget and Financial Plan projections
- ***Fare Policy Discussion and Review of Annual Fare Report***
- ***Discussion on transit operating cost trend and financial sustainability***
- Reports to Review
  - Quarterly Financial Report (Q2)
  - Quarterly Asset and Liabilities Management Report
- Internal Audit Division Presentation
  - 2021 Performance Audit Final Report
  - Completed Audit Division internal audits (Q2)
  - Review 2022 Audit Work Plan
  - Review of potential 2022 Performance Audit topics

### **Fourth Quarter – December 16, 2021**

- Consider forwarding the 2022 Annual Budget to the Board
- Citizens Oversight Panel annual presentation to the Finance & Audit Committee
- ***Enterprise risk management program and risk coverage***
- 2022 Financial Audit Entrance
- Reports to Review
  - Quarterly Financial Report (Q3)
  - Quarterly Asset and Liabilities Management Report
- Internal Audit Division Presentation
  - Review completed Audit Division internal audits (Q3)
  - Consider 2022 Performance Audit topic
  - Review 2022 Audit Division work plan