

# Metropolitan Council Audit Committee Annual Report 2020-2021



## MISSION STATEMENT

The mission of Program Evaluation and Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

## AUDIT COMMITTEE

The purpose of the Audit Committee is to provide structured systematic oversight of the organization's governance, risk management, and internal control practices.

### Council Members:

Chair Judy Johnson, District 1  
Vice Chair Chai Lee, District 13  
Deb Barber, District 4  
Susan Vento, District 11

### Community Members:

Amy Jorgenson (Minnesota Management & Budget)  
Andra Roethler (Hennepin County)  
Quinn Gaalswyk (University of Minnesota)  
Gracie George (US Bank)



## AUDIT COMMITTEE AND DEPARTMENT UPDATES

In 2020 and 2021 the Audit Committee saw changes and faced new challenges. In 2020, Committee Member Deb Barber replaced Chris Ferguson. Also, in March of 2020, the Council ordered all those that could work from home do so in response to the COVID-19 pandemic. The Audit Committee showed its resilience by working and holding meetings virtually and will continue to do so into 2022.

The Program Evaluation and Audit (PEA) department has also seen changes over the past two years. PEA saw the departure of one staff in 2020, who had been with the department for over five years. Teng Lo then joined the team in 2021 with his expertise and knowledge of information technology and information system audits. Julia Quehl was promoted to Audit Manager in 2020 to aid the CAE in overseeing audits and strategic planning. PEA shifted to remote work in March of 2020 and likewise were able to show their adaptability by working virtually.

The Director of PEA has been the Planning Chief for 390 Robert St./Regional Administration/Community Development as part of the Incident Command Structure (ICS) since the start of the COVID-19 Pandemic and will continue to hold this role until it is determined the ICS is no longer needed.

## **WHO WE ARE:**

### **Audit Director**

Chief Audit Executive – Matt LaTour, MPP, CIA

Matt holds a BA from the University of St. Thomas, and an MPP from the University of Minnesota. He is a Certified Internal Auditor with 20+ years of professional experience, including 17 years of audit experience. Matt started his audit career with Government Accountability Office (GAO) in Washington, DC.



### **Audit Manager**

**Julia Quehl**

Julia holds a BBA in Finance from the University of Minnesota-Duluth, and an MPP from the Humphrey School of Public Affairs. She has 16 years of professional experience, including 5+ years of audit experience. Julia has worked at Alight, Peace Corps, and Ameriprise Financial. Julia started her career with the Metropolitan Council in 2016 and was an intern with the Council while in graduate school.

### **Auditors-in-Charge**

**Kevin Ely**

Kevin holds a BA in Political Science from the University of Minnesota, Morris, and an MPP in Advanced Policy Analysis with a Minor in Program Evaluation. He is CISA Certified. He has 16+ years of professional experience, including 9 years of audit experience. Prior to Kevin's career with Metropolitan Council, he worked at Wells Fargo Home Mortgage, Normandale Community College, Hamline University, and the University of Minnesota.

**Nicholas Jelinek**

Nicholas holds an MPP from the School of Public Affairs and a BA in Political Science from the University of Minnesota. He has 8+ years of professional experience, including 5 years of audit experience. Nicholas began working at the Council in 2017 when he accepted an intern position in Program Evaluation and Audit and is currently an Auditor. Prior to his career with Metropolitan Council, he worked at Carver County, Office of Senator Tomassoni Akzo Nobel.

**Guptan Kaplingat**

Guptan holds a BA in Accounting and Computer Science from the University of St. Thomas. He has 15+ years of professional experience, including 15+ years of audit experience. Guptan is an Auditor in Program Evaluation and Audit. Prior to his career at Metropolitan Council, Guptan worked at the Minnesota Department of Transportation (MnDOT).

### **Auditors II**

**Timothy Larson**

Timothy holds an AAS in Electronics, and a BS in Applied Management & Business. He is ASQ

Certified as a Quality Auditor and has a Six Sigma Green Belt. Tim has 15 years of professional experience, including 5 years of audit experience. Tim began working at Metro Transit in 2017 and is currently an Auditor in Program Evaluation and Audit. Prior to his career at Metropolitan Council, Timothy worked at KEB America.

### **Teng Lo**

Teng holds a BA in Economics from the University of Minnesota and is currently enrolled in the MS, Cybersecurity, and Information Assurance, at Western Governors University. He is CEH certified. He has 10+ years of professional experience, including 3 years of audit experience. Prior to Teng's career with the Metropolitan Council, he worked at UNFI, Bremer Bank, the State of Minnesota, Ramsey County, and Wells Fargo.

### **Tunde Ogungbesan**

Tunde holds a BSc, a BBA, and a MA from the University of Minnesota. He has 12+ years of professional experience, including 5+ years of audit experience. Tunde joined Metropolitan Council, Program Evaluation and Audit as an Auditor in 2019. He previously worked at Minnesota Department of Revenue and Wells Fargo Home Mortgage.

## **Interns**

### **Brynna Bargfield**

Brynna holds a BSPH from The Ohio State University (2019) and a dual MPP/MPH from the University of Minnesota (2021). She began working at the Council in 2020 as a Program Evaluation and Audit intern. She previously worked for the Minnesota House of Representatives Research Department, as a student consultant for the Association for Nonsmoker's Rights, and as a volunteer with Equality Ohio.

## AUDIT ACCOMPLISHMENTS 2020 and 2021

	Completed 2020	Completed 2021	Ongoing	Grand Total
<b>Audits</b>	12	9	4	25
<b>Consultations</b>	4	2	4	10
<b>External Audits</b>	9	8	3	20
<b>Grand Total</b>	25	19	11	55

Year	# Audits w/ Follow-up	Total recommendations	Open recommendations
<b>2020</b>	10	39	3
<b>2021</b>	7	54	44
<b>Grand Total</b>	17	93	47

PEA completed 15 of 33 total projects on the 2020 audit plan (45%) in 2020. Ten out of 36 projects were completed on the 2021 Audit Plan (27%) including five projects that carried over from the 2020 audit plan and were completed in 2021. While another six carried over from 2020 and were not completed and two projects from the 2021 plan were canceled. Six projects on the 2021 audit plan including work related to user administration, MnDOT funding, job classification, preparing for the FTA triennial, procedure updates and the Metropolitan Council Underutilized Business Program (MCUB) are ongoing and will be presented in 2022. Two significant and unexpected external audits, additional audit requests, a changing risk profile and involvement in about a dozen investigations affected our ability to complete the audit plan as expected.

### Audit Process Improvement

The team is currently working through a new initiative to form a subgroup of staff to focus on the Council's wide-ranging portfolio of Capital Project. We expect that demand for work in this area will continue to grow over the indefinite future and would like to position our team to respond and help the Council mitigate its risk.

PEA continued to improve its processes and operations in 2020 and 2021. PEA's new database went live in 2020. The database is providing multiple benefits including the ability to easily track follow-up activities and provide reporting capabilities.

After receiving feedback from the Audit Committee, a new audit report template was created. A notable feature of the new template is the "Highlights" page which provides the reader with a quick, one-page summary of the audit.

Finally, the CAE performed training for all PEA staff on the topic of audit findings. Future trainings will be planned as the CAE determines what is needed.

## **Accomplishments**

### **Fare Evasion on Proof-of-Payment Transit Systems**

Several recommendations were made to improve fare enforcement activities including developing metrics/indicators, implementing best practices when it comes to the integrity of fare enforcement data, and developing a consistent policy for fare enforcement activities.

### **Regional Parks**

Numerous recommendations were made to help the Parks department better document their processes. Additionally, external Bond Counsel was consulted to gain clarification on the \$3:\$2 bond match language and a subsequent recommendation was made to create a documented procedure to ensure that the bond match is adequately budgeted, tracked, spent within the specified timeframe, and documentation is maintained.

### **IT Asset Management (ITAM)**

Several recommendations were made to create processes and procedures to aide in IT Asset Management including, Technology Lifecycle Management plans, baseline configuration management processes and checklists, asset disposal processes, software license tracking, and processes around the service ticket types. A recommendation was also made to determine asset inventory needs, track assets in a centralized system of record, and document those assets that must be tracked in a non-centralized system of record.

### **Technology Governance**

Recommendations were made for the Enterprise Services Planning Team (ESPT) to resume their role or otherwise delegate their responsibilities, review and update roles and responsibilities, develop and track metrics, to develop a plan for security reviews, and for the Technology Use Case Review (TUCR) team to incorporate IT security risk into the evaluation tool.

### **Metro Transit Safety**

A few recommendations were made including implementing standards for documenting hazards and considerations for implementing a formal housekeeping program.

### **Consulting Activity**

Audit staff consulted on several topics over the past two years including work related to the Southwest Light Rail project, cybersecurity, Metro Transit Policing data, and indirect costs rate reviews.

## **Special Projects**

### **EthicsPoint**

The system went live in October 2020 for employees to report issues or concerns regarding policy and procedure violations and for staff to manage complaints. The department has and continues to provide training and support to departments within the Council on EthicsPoint.

### **Banking Internal Controls**

Detailed recent events of malicious actors attempting to steal Council information. Identified mitigation steps to help strengthen our system of internal controls and help our employees identify potentially fraudulent activity.

### **Strategic Plan**

A three-year strategic plan was created for the department that includes objectives, strategies, and key performance indicators based on a Strengths, Weaknesses, Opportunities, Threats (SWOT) analyses of the goals for PEA.

## **LOOKING AHEAD**

### **Highlights from the 2022 Audit Plan**

- MCUB Program
- Contract Administration
- 2022 Federal Transit Administration Triennial Preparation
- Job Classification
- Data Retention and Records Management
- User Administration
- Body Worn Camera Audit Preparation
- Southwest Light Rail – Civil Construction Change Orders

### **Special Projects**

- Audit Manual Updates
- External Review of Peer Audit Department
- Council-wide Fraud Awareness Training
- Navex EthicsPoint Program Enablement
- Investigative / Fraud Policy and Procedure Updates and Reporting