

Colorado Transportation Commission
Audit Review Committee Agenda
Wednesday, October 18, 2017
CDOT Headquarters
Room 262 - 12:45 p.m.

Bill Thiebaut, Chair
District 10, Pueblo

Sidny Zink
District 8, Durango

Rocky Scott
District 9, Colorado Springs

Ed Peterson
District 2, Lakewood

Kathy Connell
District 6, Steamboat Springs

All commissioners are invited to attend this Committee meeting.

1.	Call to Order	Verbal
2.	Approval of July 19, 2017 Minutes	p. 1
3.	BKD PCard Management Report Briefing	Verbal
4.	Audit Division Results (1 st Quarter)	Verbal
5.	Audit Division Charter	Verbal
6.	Open Recommendations	Verbal
7.	Fraud Hotline Metrics	Verbal

THE AGENDA MAY BE ALTERED AT THE CHAIR'S DISCRETION



**Colorado Transportation Commission
Audit Review Committee (ARC) Meeting
July 19, 2017
10:30 a.m. - 11:00 a.m.
CDOT Headquarters, Aspen Conference Room**

AUDIT COMMITTEE MEMBERS: Kathy Connell; Ed Peterson; Rocky Scott; and Sidny Zink, Chair

EXECUTIVE MANAGEMENT TEAM: Frank Spinelli, Audit Director

AUDIT TEAM: Jim Ballard, Audit Manager; Carisa Benedict, Intern; Devon Butler, Intern; Melissa Canaday, Audit Supervisor; Robin Evans, Auditor III; Debra Jaramillo, Program Assistant; Robyn Lamb, Audit Supervisor; James Moseley, Intern; Anamika Pandey, Auditor II; and Colby Shepard, Intern

AND: Lillian Bourne, Region I, Colette DeSonier, Deputy Director of Administration; Paul Jesaitis, Region I, and Mike O'Neill, Region I

Call to Order

Chair Zink called the meeting to order at 10:35 a.m. A quorum was NOT present.

Chair Zink stated there are some motions that need to be made today. We can come back to these items when we have a quorum.

Update: Paragon's Purchase Card Audit

Mr. Spinelli stated Paragon has been tasked to review CDOT's Pcard process. They are reviewing policies and procedures, flowcharting processes, conducting surveys, interviewing staff, and testing Pcard transactions. We expect completion of the audit at the end of August and the final report in September.

Audit Division Results

Mr. Spinelli said the Internal Audit team has followed up on outstanding audit recommendations, finalized the patrol inventory, Pcard, and equipment mechanic shop performance audits. They hired four college interns and is in the process of hiring an Auditor I. We may hire additional auditors if demands increase. The Internal Audit team has provided advisory services to FHWA, FEMA, DTR, Super-circular, and EPA.

Ms. DeSonier discussed her experience with the Internal Audit team when she was the Business Manager of the Flood Recovery Office. The team helped organize files and did a lot of preparation which saved time during the review. There were zero findings. Mr. Ballard said these advisory services are building relationships with CDOT divisions.

Mr. Spinelli reviewed the Internal Audit team metrics. He said there are about 40 templates being updated. They are also working on the Charter and hope to present this to the ARC this calendar year.



Commissioner Connell arrived and a quorum was present.

Mr. Spinelli reviewed the External Audit team results. They provided guidance and updates to the super-circular procedures guidebook and finalized the program for subrecipient monitoring. They completed the review of a Region 1 construction contractor dispute, completed the first quarter review of Single Audit Report monitoring, completed the cognizant review of an architectural/engineering firm, and completed two final cost audits. They also performed outreach activities by presenting Safe Roads to School training, and provided guidance on the development of the indirect cost rates to two local agencies.

Mr. Spinelli reviewed the External Audit team metrics. He said \$10.3 million in potential savings has been identified.

Approval of May 2017 Minutes

Commissioner Connell made a MOTION to approve the May 2017 minutes.
Commissioner Scott seconded the motion.
All voted in favor.

Approval of Release - Purchase Card Audit

Commissioner Connell made a MOTION to discuss the Pcard audit.
Commissioner Scott seconded the motion.

Mr. Jesaitis stated they have reduced the Region 1 Pcard program from 130 staff to 120 staff and are still decreasing that number; it has reduced their risk. We will provide training that will include a manual. If staff do not comply with the policies and procedures, we will follow CDOT's progressive discipline policy.

Chair Zink stated the description in the report says that a card cannot be used by anyone except the person to whom it is assigned. This is policy, but it is not a fact. The wording needs to be changed.

Commissioner Peterson made a MOTION to release the Pcard audit.
Commissioner Connell seconded the motion.
All voted in favor.

Open Recommendations

Mr. Spinelli stated we are working to close the loop on five open recommendations.

Fraud Hotline Metrics

Mr. Spinelli reviewed the Fraud Hotline metrics.

Adjourn

Meeting adjourned at 11:28 a.m.