



# Calendar Year 2022 Internal Audit Plan

PERFORMANCE & BUDGET - January 2022

# Internal Audit Mission and Responsibilities

## **Internal Audit Mission:**

To provide independent, reliable, timely, and value-added audit services to BART management.

## **Internal Audit responsibilities:**

- Conducting Operational/Performance audits of District activities.
- Performing audits of Provisional Billing Rates and Delay/Termination Claims of District's contractors and contracts.
- Coordinating audits performed by external government agencies.
- Managing the sales tax recovery services agreement.
- Providing analytical non-audit support services to other BART departments and activities as requested.

# BART CY22 Audit Plan

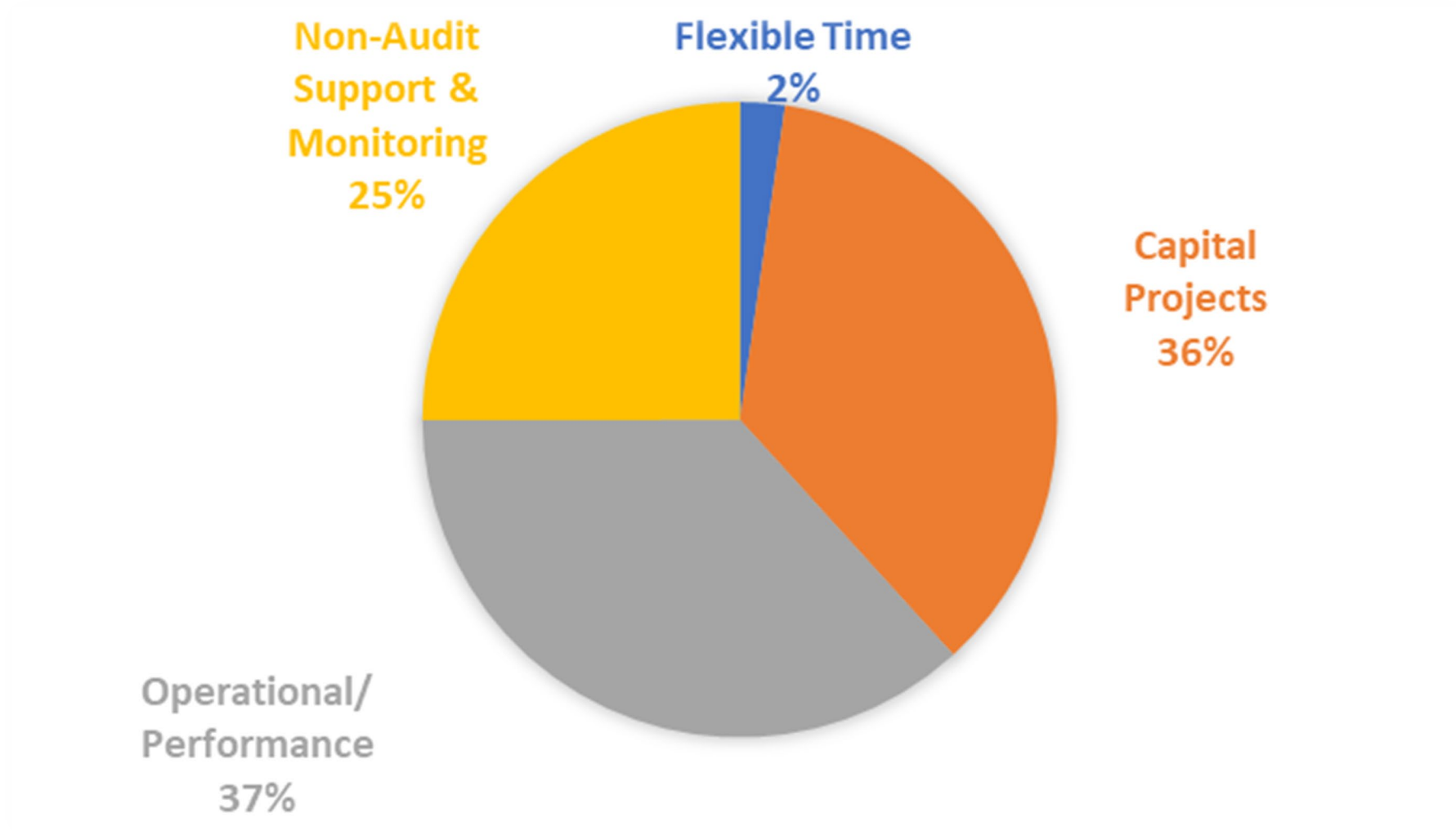
## **CY22 Audit Plan Objectives:**

- Advance quantitative methods in the Audit Plan risk assessment criteria.
- Revise and update core Internal Audit documents: Audit Charter and the Audit Manual.
- Complete Annual Risk Assessment and CY22 Audit Plan.
- Prepare for a General Accountability Office (GAO) Yellow Book Peer Review.
- Emphasize follow-up of past audit recommendations.
- Complete the audit plan, as detailed below, while limited by constraining resources.

## **Audit Plan and Detailed Activities**

- Focuses on timeliness of capital rate audits, reviews, and claims to not delay related capital projects.
- Covers Calendar Year (CY22).

# CY22 Audit Work by Activity



# CY22 Audit Plan – Capital Audits

AUDIT ACTIVITY	AUDIT OBJECTIVE	Est. Hours
Capital Contract Delay Claims	Determine reasonableness of contractor delay claim amounts and compliance with Federal Acquisition Regulation (FAR) and contract provisions.	600 hrs.
Capital Contract Final Rates	Determine reasonableness of contractor final rates and compliance with FAR and contract provisions.	600 hrs.
Capital Contract Provisional Billing Rates	Determine reasonableness of contractor billing rates and compliance with FAR and draft contract provisions.	900 hrs.
Capital Contract Termination Claims	Determine reasonableness of contractor delay claim amounts and compliance with FAR and contract provisions.	300 hrs.

# CY22 Audit Plan – Ops/Perf Audits

AUDIT ACTIVITY	AUDIT OBJECTIVE	Est. Hours
Audit Recommendations Follow-up and Reporting	Determine status of prior internal audit recommendations and provide status reports to managers.	300 hrs.
Board Property FY22	Conduct the required annual audit for compliance with the Rules of the Board of Directors on use of District property.	100 hrs.
Fuel Vendor Cost Controls	Determine whether internal controls over fuel management are effective and contractual obligations are being performed and adequately monitored.	300 hrs.
Cybersecurity - Online Public Facing	Determine if the general computing controls in place to protect and manage the public-facing digital presence are sufficient.	350 hrs.

# CY22 Audit Plan – Ops/Perf Audits (cont.)

AUDIT ACTIVITY	AUDIT OBJECTIVE	Est. Hours
Capital Projects Headcount	Determine if support and similar department staff are charging as budgeted/ permitted to capital projects and if the capital charges are appropriate and monitored.	350 hrs.
Project Close-Out Policies & Procedures	Review the capital project close-out process to ensure it is timely and sufficient to successfully identify, control, and close capital projects, especially those that have little or no recent activity.	350 hrs.
BART Police Equipment and Inventory	Ensure that controls are in place to properly track and monitor BART-issued law enforcement equipment.	350 hrs.
Invoice Approval Policies & Procedures	Review the invoice approval process to determine if proper policies and related controls are in place to ensure minimal risk to the District.	350 hrs.

# CY22 Audit Plan – Non-audit Support

AUDIT ACTIVITY	AUDIT OBJECTIVE	Est. Hours
FTA Compliance - Triennial Review	Act as liaison and facilitator for data and information requests between FTA reviewers and departmental staff related to BART's performance and adherence to current FTA grant recipient requirements and policies.	400 hrs.
Annual Risk Assessment and Audit Plan Revisions	Annually analyze the risks confronting BART and revise the Audit Plan mid-fiscal year to adapt to emerging circumstances and events.	100 hrs.
Safe Harbor Rate Reviews	Analyze BART's compliance with federal Safe Harbor Rate rules given BART's focus on small businesses that sometimes have no audited financials.	250 hrs.
Clipper Card Transition	Monitor planned transition to the regional account-based Clipper Card system (C2) currently scheduled for late 2023. Review policies and procedures that may impact BART.	200 hrs.



# CY22 Audit Plan – Non-audit Support (cont.)

AUDIT ACTIVITY	AUDIT OBJECTIVE	Est. Hours
Sales Tax Invoice Verification and Quarterly Reporting	Review vendor invoices to verify amount of commission charged and report recovered sales tax collection information to management on a timely basis.	194 hrs.
Buy America Post-delivery Review	Provide assistance with compliance to federal Buy America rules.	276 hrs.
Change Order Tracking and Monitoring	Review and compile submitted change notices and change orders for tracking and internal process compliance for authorization, completeness, and existence.	250 hrs.

**Audit reports can be obtained by contacting:**

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