

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

Inter-Office Communication

To: Board of Directors

Date: October 4, 2019

From: General Manager

Subject: Consent Calendar: Audit of Directors' Use of District Property

Attached is the Performance and Audit Department's final audit report – *Audit of Directors' Use of District Property for Fiscal Year 2019*. The audit report will appear on the October 10, 2019, Board Consent Calendar.

If you have any questions regarding the audit, please contact Dennis Markham at (510) 464-6275.



Robert Powers

Attachment

cc: Board Appointed Officers
Executive Staff

*Audit of Directors' Use of District Property
for Fiscal Year 2019*

BACKGROUND

The Performance and Audit Department has audited the District's compliance with the requirements of the San Francisco Bay Area Rapid Transit District's *Rules of the Board of Directors* Board Rule 5-3.5, Use of District Property Other than Automobiles. The Rules require that the Internal Audit Department (currently the Internal Audit Division of the Performance and Audit Department) shall complete an annual audit for the previous fiscal year for compliance with the requirements of Board Rule 5-3.5, and shall submit the audit report, including a list of property issued to each Director, to the next Administration Committee following September 15 for review and forwarding to the full Board.

Board Rule 5-3.5 requires that:

- Directors may have use and possession of specifically identified District property that is comparable in cost and function to equipment available to District employees;
- The property shall be returned when a Director leaves office;
- Directors request the property through the District Secretary's Office;
- The District Secretary shall request quarterly that the Directors review their cellular phone and mobile device charges;
- Directors reimburse the District within 30 days of the quarterly request for reimbursement of costs that are not for District business; and
- The District Secretary shall report to the Board President or Vice President if the quarterly requests are not responded to or reimbursements not made within 30 days.

The purpose of our audit was to determine whether the District complied with the requirements of Board Rule 5-3.5 for the fiscal year ended June 30, 2019. To accomplish our purpose, we reviewed the requirements of the Board Rule, reviewed the report for the audit of compliance with the Board Rule done for the previous year, examined records maintained by the District Secretary, notified Directors of the property recorded in the District's records as issued to each Director, and conducted discussions with the staff of the District Secretary's Office.

*Audit of Directors' Use of District Property
for Fiscal Year 2019*

BACKGROUND
(Cont'd)

We performed the audit in accordance with generally accepted government auditing standards and included such tests as we considered necessary in the circumstances. We used the *Rules of the Board of Directors* Board Rule 5-3.5 as criteria for the audit.

We provided Patricia Williams, District Secretary, with a draft copy of our audit report on September 6, 2019. We discussed the draft audit report with her on September 9, 2019, and she had no additional comments.

**SUMMARY OF
AUDIT RESULTS**

We found that in fiscal year 2019, the District complied in all material respects with the requirements of Board Rule 5-3.5. A list of property issued to each Director as recorded in the District's records is shown in Exhibit A.

The cellular phone bills for May and June 2019 were not available in time for this audit. We will review those bills as part of next year's audit.



Dennis Markham, Director of Performance
and Audit

*Audit of Directors' Use of District Property
for Fiscal Year 2019*

Exhibit A

Schedule of District Property in Directors' Custody
As of June 30, 2019

DIRECTOR	PROPERTY DESCRIPTION
Debora Allen 1st District	(No Equipment Issued)
Mark Foley 2nd District	(No Equipment Issued)
Rebecca Saltzman 3rd District	(No Equipment Issued)
Robert Raburn 4th District	(No Equipment Issued)
John McPartland 5th District	Apple iPhone 7 External Computer Hard Drive MiFi Device
Elizabeth Ames 6th District	Apple iPhone 8
Lateefah Simon 7th District	Apple iPhone 7
Janice Li 8th District	(No Equipment Issued)
Bevan Dufty 9th District	(No Equipment Issued)