

September 18, 2020



Audit Committee Charter



Introduction



Purpose of Charter – Specify functions of the Audit Committee:

- Governance and Authority
- Selection of Audit Committee Members
- Roles and Responsibilities

Today's version:

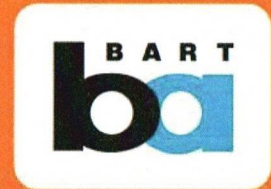
- Reflects Committee feedback
- Includes minor edits to organize and clarify language
- Jointly resolves three outstanding items
- Raises one new item

Resolved Items



Section	BART Management Language	OIG Language
4.1.4	Review and monitor implementation of corrective actions identified by audited entities to address findings in audit and investigation reports. Discuss reasons for not implementing corrective action(s) in a timely manner, if necessary.	Review and monitor implementation of corrective actions to address audit and investigation findings to ensure they appropriately addressed the underlying findings. Discuss reasons for not implementing appropriate corrective actions or action in a timely manner, if necessary.
Resolution (now 4.1.5)	If an audit or investigation included recommendations, review and monitor implementation of corrective actions taken by management to address findings in audit and investigation reports to ensure they appropriately addressed the underlying findings. Discuss reasons for not implementing appropriate corrective actions(s) or implementation in a timely manner, if necessary.	

Resolved Items



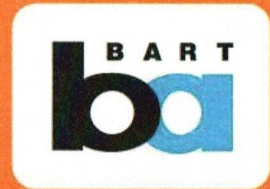
Section	BART Management Language	OIG Language
4.3.3	Redundant - suggest delating. Audit Committee review of internal control audits and reports covered in sections 4.1.1 and 4.1.2.	Retain as follows: Discuss weaknesses in internal control systems and safeguards for District assets, discuss with management their action plans for, correcting those deficiencies, and monitor their corrective action taken to improve the internal control system and safeguard District assets.
Resolution	Discuss internal control systems and safeguards for District assets, discuss with GM/BAOs deficiencies, if any, and associated action plans for correcting such deficiencies.	

Resolved Items



Section	BART Management Language	OIG Language
Terminology	<p>There is an inherent conflict between transit and audit terminology where some of the same words have different definitions. Audit terminology might be misinterpreted and cause concern among those not familiar with the terms.</p> <p>BART recommends adding a glossary and this footnote: <i>The terminology used in this charter is based upon standard audit language and not meant to be specific to transit agency operations.</i></p>	<p>Agree that the footnote will be helpful and should be enough by itself to avoid any misconceptions so that a glossary isn't needed.</p>
Resolution	Brief Terminology section added at end of Charter	

Item for Discussion



Section	BART Management Language	OIG Language
4.1.3	Ensure that audits and investigation reports fully include findings, recommendations, and responses from the auditor and audited entity.	Prefer to delete this sentence. Management is welcome to present other information to the Audit Committee, separate from the OIG's reports, if they wish the Board of Directors to have additional information. However, mandating what the OIG puts in its reports would be in direct conflict with the independence standards in both the <i>Government Auditing Standards</i> and the <i>Principles and Standards for Offices of Inspector General</i> , which the OIG follows, and the state mandate that requires the OIG to be independent.

Resolution