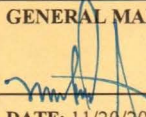

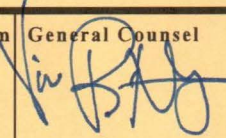
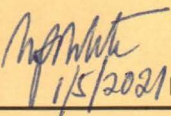
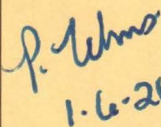
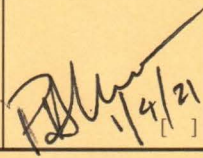




EXECUTIVE DECISION DOCUMENT

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| GENERAL MANAGER APPROVAL:  DATE: 11/20/2020 | | GENERAL MANAGER ACTION REQ'D: | | | |
| Originator/Prepared by: Dennis Markham Dept: Performance & Audit Admin | | BOARD INITIATED ITEM: No | | | |
| Signature/Date:  1/4/21 | | General Counsel  1/5/21 [] | Controller/Treasurer  1/5/2021 [] | District Secretary  1-6-21 [] | BARC  1/4/21 [] |
| Status: Approved | | | Date Created: 11/20/2020 | | |

Establish Audit Committee and Adopt Audit Committee Charter

PURPOSE:

To establish the San Francisco Bay Area Rapid Transit District Audit Committee and adopt the Audit Committee Charter.

DISCUSSION:

The BART Audit Committee will provide independent oversight and advice to the BART Board of Directors regarding the effectiveness and efficiency of business and performance operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations. The Audit Committee will assist the Board in discharging its oversight responsibilities for financial management, operational effectiveness, ethics, and regulatory compliance to provide full accountability to the public regarding the results of audits and investigations.

The Audit Committee may hear items pertaining to financial and performance audits; internal controls; general financial issues; and investigations of fraud, waste, or abuse. The Audit Committee will review and discuss audit and investigation reports produced by the external financial auditors; federal, state, and local government agencies; Internal Audit; and the Office of the Inspector General. The Audit Committee may provide recommendations to the full Board of Directors for action on matters within the Audit Committee's purview.

The purpose of the Audit Committee Charter is to prescribe the scope of the Audit Committee's roles and responsibilities; governance and authority; as well as its structure, processes and membership requirements, including the qualifications, composition, tenure of the Committee members, and guidelines for periodically review of the Charter.

The attached proposed Audit Committee Charter is in two formats: 1) Proposed final that includes recent suggested clarifying language from BART's Legal Department; and 2) Redline version showing those clarifications. Due to timing, the proposed final version has not been reviewed by the Ad-hoc Audit Committee and, since the modifications are not substantive, is provided for full discussion/approval of the Board.

FISCAL IMPACT:

There may be some costs incurred by the District Secretary's Office to support the Audit Committee meetings, but such costs would be managed under the DSO's existing operating budget.

ALTERNATIVES:

Do not establish an Audit Committee and/or adopt the Audit Committee Charter, in which the Audit Committee along with its roles and responsibilities, governance and authority, and structure, processes and membership requirements will not be formalized.

RECOMMENDATION:

Staff recommends that the Board of Directors establish the BART Audit Committee and adopt the BART Audit Committee Charter.

MOTION:

The Board establishes the BART Audit Committee and adopts the Audit Committee Charter for the San Francisco Bay Area Rapid Transit District.