



FY21 Internal Audit Activities Report

PERFORMANCE & BUDGET - November 2021



1. Internal Audit Mission and Responsibilities

Internal Audit Mission:

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

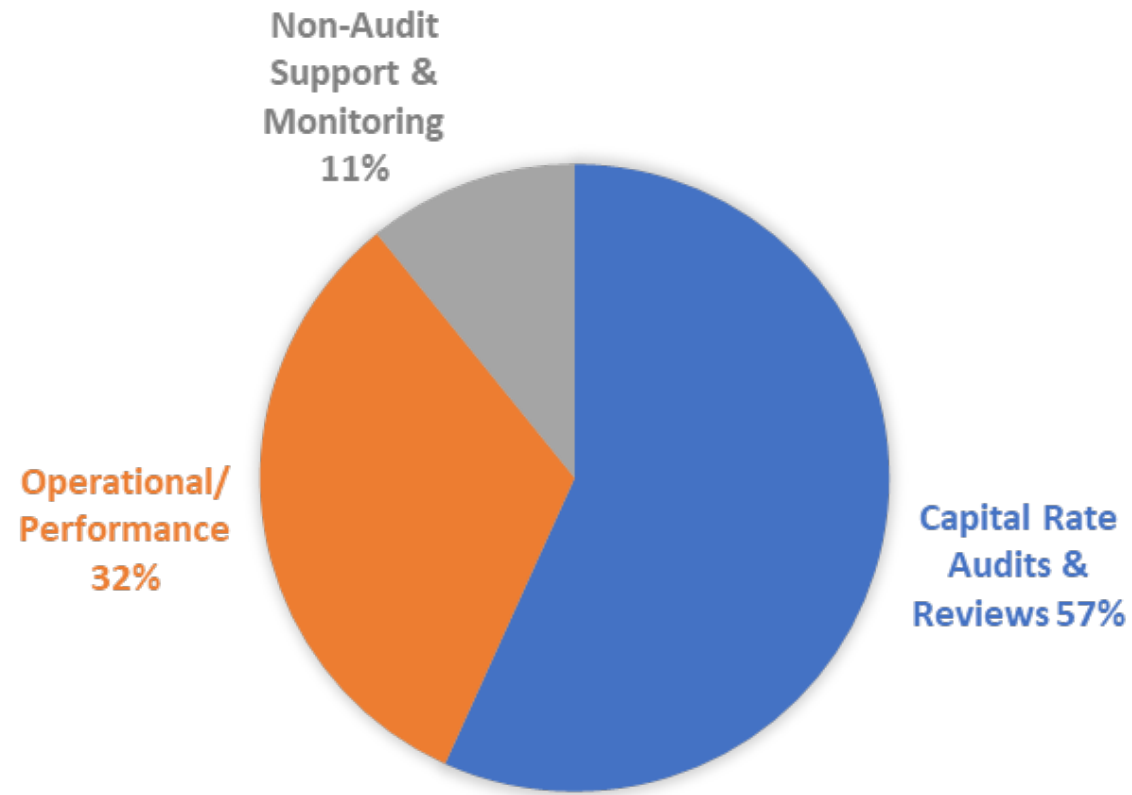
Internal Audit responsibilities:

- 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

2. Internal Audit Activities

- This presentation summarizes the status of the FY21 Audit Plan:
 - Audits and activities (Section 3)
 - Status of outstanding recommendations and follow-up to audits from previous years, some of which were closed in FY21 (Section 4)
- The District Retirement Incentive Program (DRIP) impacted Internal Audit staffing
 - Focused on capital rate audits and reviews, and claims so as not delay the related capital projects
 - Some operational/ performance audit activities were placed “on hold” or delayed in the latter half of FY21
 - The report covers FY21 plus follow-up through mid-October 2021

2. FY21 Audit Work by Activity



3. FY21 Audit Status Summary – Capital Audits

CONTRACTOR RATE AND PRICE REVIEWS (CAPITAL AUDITS)	Status	Details
Capital Contract Delay Claims	Closed	1 Delay Claim
	In Progress	2 Delay Claims
Capital Contract Final Rates	Closed	3 Final Indirect Rate audits
	In Progress	2 Final Indirect Rate audits
Capital Contract Provisional Billing Rates	Closed	18 Provisional Rate audits
	In Progress	4 Provisional Rate audits
Capital Contract Termination Claims	Closed	1 Termination claim
	In Progress	1 Termination claim

3. FY21 Audit Status Summary – Ops/Perf Audits

OPERATIONAL/PERFORMANCE AUDITS	Status	OPERATIONAL/PERFORMANCE AUDITS	Status
Board Property FY20	Closed	Driver License Monitoring and Validation Program	Complete
Tower Foreworker Scheduling and Timekeeping	Closed	Customer Complaint Handling Process	Complete
Worker's Compensation Payments	Closed	Employee Off-boarding Process	Complete
Treasury and Pass Office Procedures Review	Closed	Measure RR Charging	On Hold
Promotional Tickets Program	Closed	IT General Controls	On Hold
BART Police Payroll Overpayments	Closed	Cash Handling Procedures	On Hold
Law Enforcement Security Enhancement Program	Closed	FTA Drug Testing Rate	On Hold
Audit Recommendation Follow-up and Reporting	Complete	SVBX Billing (Phase 3)	In Progress
Audit of the District's California Oath Form Requirements	Complete	Capital Reimbursements Management	In Progress

3. FY21 Audit Status Summary – Non-audit Support and Monitoring

OPERATIONAL/PERFORMANCE AUDITS	Status
Bombardier Railcar Pricing Review	Closed
Budget Performance Report Monthly Review FY21	Closed
Capital Reimbursements Variance Reporting FY21	Closed
FTA Compliance - Triennial Review	On Hold by FTA due to COVID-19
Sales Tax Invoice Verification	On-going
Review of State Sales Tax Remitted to the District in FY21	On-going

4. Audit Follow-up Status Summary

Audit Report	# of Recommendations	# of Recommendations Implemented	Next Response Date
Audit of BART Police Payroll Overpayments	9	9	Closed
Audit of Foreworker Scheduling and Timekeeping	1	1	Closed
Audit of Workers' Compensation Payments	7	7	Closed
Audit of Promotional Tickets Program	7	7	Closed
Audit of Customer Complaint Handling Process	9	3	December 2021
Audit of Driver License Monitoring Program	14	0	June 2022
Audit of Employee Offboarding Process	14	8	December 2021
District's California Oath Form Requirements	1	0	January 2022

Full audit reports can be obtained by contacting:

Michael Wilkison

Manager of Internal Audit
michael.wilkison@bart.gov
510-464-7570

or

Dennis Markham

Director of Performance & Audit
dmarkha@bart.gov
510-464-6275



Morelli Designers Team