AGENDA

Audit Committee Meeting
Tuesday, June 18, 2019, 12:00 p.m.
DART Conference Room B – 1st Floor
1401 Pacific Ave., Dallas, Texas 75202

1. Approval of Minutes: June 11, 2019
3. Approval of Mobility Management Process Audit (Jonathan R. Kelly/Chris Koloc)
4. Approval of Intelligent Transit Systems Audit (Jonathan R. Kelly/Chris Koloc)
5. *Briefing on Annual Audit Plan (Jonathan R. Kelly/Chris Koloc)
6. Identification of Future Agenda Items
7. Adjournment

*This Is A Briefing Item Only

The Audit Committee may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any legal issues, or under Section 551.074 for Personnel Matters arising or regarding any item listed on this Agenda.

This facility is wheelchair accessible. For accommodations for the hearing impaired, sign interpretation is available. Please contact Community Affairs at 214-749-2543, 48 hours in advance.

Chair – Jonathan R. Kelly
Vice Chair – Ray Jackson
Members – Michele Wong Krause, Amanda Moreno, Dominique P. Torres, Lissa Smith, and Gary Slagel
Staff Liaison – Chris Koloc
AGENDA ITEM NO. 1

MINUTES
DALLAS AREA RAPID TRANSIT
AUDIT COMMITTEE MEETING
June 11, 2019

The Dallas Area Rapid Transit Audit Committee meeting convened at 1:07 p.m., Tuesday, June 11, 2019, at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Kelly presiding.

The following Committee Members were present: Jonathan R. Kelly, Lissa Smith, and Gary Slagel.

Other Board Members present: Rick Stopfer.

Pursuant to Article V, Section 4 to the DART Board Bylaws, amended by Resolution No. 000159, dated September 12, 2000, Board Member Rick Stopfer was hereby appointed to the Committee to serve as an alternate member of the committee for purposes of making a quorum. The above-named Board Member shall have all the privileges of other committee members so long as the Board Member’s presence is necessary to maintain a quorum. This appointment shall be effective only until the adjournment of the meeting for which the appointment is made.

This appointment form shall be filed with the Office of Board Support prior to the convening of the Committee meeting.

Others present: Gene Gamez, Nicole Fontayne-Bárdowell, Chris Koloc, Nancy Johnson, and Josefina Chavira.

Prior to continuing with the agenda, Chair Kelly stated Board Member Stopfer was hereby appointed to serve as an alternate Committee Member to create a quorum.

1. **Approval of Minutes:** May 28, 2019
   Hearing no objection, Chair Kelly stated the approval of the May 28, 2019, Audit Committee Meeting Minutes to be entered into record, as written.

2. **Approval of Employment Agreement for Director of Internal Audit**
   Chair Kelly provided a preamble of this item.

   Ms. Smith moved to forward this draft resolution to the Committee-of-the-Whole and the Board of Directors, as a same-date item, stating the employment agreement shown in Exhibit 1 to this Resolution is approved as written.

   Mr. Slagel seconded, and the item was approved unanimously.

3. **Identification of Future Agenda Items**
   There were no future agenda items identified for this Committee.

4. **Adjournment**
   There being no further business to discuss, the meeting adjourned at 1:10 p.m.
Joséfina Chavira, CAP  
Board Committee Secretary

/jc

+ Same Night Item
* Briefing Item
Agenda Report

DATE: June 18, 2019

SUBJECT: Approval of 2018 Defined Contribution Retirement Plan and Capital Accumulation Plan Audited Financial Statements

RECOMMENDATION

Recommend release of the 2018 Defined Contribution Retirement Plan and Capital Accumulation Plan Audited Financial Statements to the Board of Directors.

BUSINESS PURPOSE

- Representatives from Crowe LLP will present an overview of the 2018 audited financial statements for the Defined Contribution Retirement Plan and the Capital Accumulation Plan and will be available to respond to any questions from the Committee.

- This item contributes to the achievement of Board Strategic Priority 5: Pursue excellence through employee engagement, development and well-being; and Board Strategic Priority 6: Innovate to improve levels of service, business processes, and funding.
Agenda Report

DATE: June 18, 2019

SUBJECT: Approval of Mobility Management Process Audit

RECOMMENDATION

Recommend forwarding final audit report to the Board of Directors.

BUSINESS PURPOSE

. Mobility Management Services (MMS) provides curb-to-curb, public transportation service for people with disabilities who are unable to use DART fixed route buses or trains. MMS department partnered with MV Transportation Inc., in 2012 to introduce a new model of providing ADA paratransit, and innovative services to the public. MV has direct control of the reservations, scheduling, where’s my ride, and dispatching functions. In January 2019, the Board awarded a new contract with MV Transportation.

. The objectives of the audit involved reviewing the effectiveness of the procedures developed by Mobility Management to monitor MV Transportation, Inc. operations. The scope of our review included reviewing the controls over the certification and eligibility process, contract compliance and Quality Assurance.

. Internal Audit noted the MMS staff were effective and knowledgeable of certifying, monitoring and analyzing MV Transportation, Inc. service operations. Our review of the process determined increased oversight and reporting could improve the consistency of the certification process.
Agenda Report

DATE: June 18, 2019

SUBJECT: Approval of Intelligent Transit Systems Audit

RECOMMENDATION

Recommend forwarding final audit report to the Board of Directors.

BUSINESS PURPOSE

- Dallas Area Rapid Transit’s (DART) Intelligent Transit Systems (ITS) are used to inform and communicate the status of bus and light rail operations to management. ITS also provide traveler information to DART customers to improve their individual mobility.

- The scope of the audit was to evaluate the agency’s ability to obtain and deliver complete and accurate information regarding the status of bus and rail operations generated from ITS, as well as, deliver complete and accurate traveler information to DART customers. The objectives of the audit were to determine whether the agency had documented processes in place to ensure ITS provide accurate and complete information and to evaluate whether access to modify relevant information within ITS was restricted to appropriate personnel and that access and changes to reports were periodically reviewed.

- Incorporating a comprehensive management reporting structure, including the expected responsibilities surrounding ITS data management and oversight, could help provide greater assurances over the data and reporting for Technology and the data users. Additional areas of improvement include:
  - Developing formal and complete documentation of systems and reporting associated with the data
  - Capturing a comprehensive inventory of ITS reports that are relied upon by management
  - Creating processes to ensure general data accuracy
  - Ensuring access to create or modify reports using ITS data are properly restricted
DATE: June 18, 2019

SUBJECT: Briefing on Annual Audit Plan

RECOMMENDATION

This is a briefing item only.

BUSINESS PURPOSE

. The DART Audit Committee Charter establishes an oversight process to administer the Agency’s Internal Audit function. The Charter provides for the Director of Internal Audit to submit an annual audit plan. The audit plan is based on risk, using the Audit Department risk assessment process and model. The plan is brought to the Audit Committee for review and approval.

. This agenda item is to brief the Audit Committee on the process of conducting the risk assessment and developing the annual audit plan.