



Audit

Tuesday, November 10, 2020, 12:30 p.m.
DART Conference Room C – 1st Floor
1401 Pacific Ave., Dallas, Texas 75202
(Estimated Meeting Time: 30 minutes)

Due to the COVID-19 virus and current extension of the Disaster Declaration issued by the Governor, all DART Board Meetings and Public Hearings are closed to the public. All meetings will take place by videoconference and will be available at <https://www.dart.org/about/board/boardvideo.asp>.

1. Roll Call
2. Approval of Minutes: October 20, 2020
3. *Briefing on Personnel Complaint and Investigation Conducted by Public Integrity Committee (Jonathan R. Kelly/Chris Koloc) ***[30 minutes]***
4. Identification of Future Agenda Items
5. 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.

Chair – Jonathan R. Kelly

Vice Chair – Ray Jackson

Members – Gary Slagel, Rick Stopfer and Dominique P. Torres

Staff Liaison – Chris Koloc

MINUTES
DALLAS AREA RAPID TRANSIT
AUDIT COMMITTEE MEETING
October 20, 2020

Due to the COVID-19 virus, DART Board meeting rooms were closed to the public. All meetings took place by videoconference and are available at <https://www.dart.org/about/board/boardvideo.asp>.

The Dallas Area Rapid Transit **Audit Committee** meeting came to order at 12:00 p.m., Tuesday, October 20, 2020, via videoconference, at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Kelly presiding.

The following Committee Members were present: Jonathan R. Kelly, Ray Jackson, Gary Slagel, Rick Stopfer, and Dominique P. Torres.

Other Board Members present: Amanda Moreno-Lake, Paul N. Wageman, Lee Ruiz, and Michele Wong Krause.

Others present: Chris Koloc, Gene Gamez, Tim McKay, Edie Diaz, Rick Reynolds, Joseph Costello, Nicole Fontayne-Bardowell, Darryl Spencer, Herold Humphrey, James Spiller, Julius Smith, John Adler, Michael Holbrook, Adam Nicholas, Doug Douglas, Nancy Johnson, and Josefina Chavira.

1. **Roll Call**

Chair Kelly took Roll Call, officially confirming a quorum was present.

Chair Kelly stated the Committee would conduct the actions of the meeting by Roll Call vote. He then provided voting instructions prior to continuing with the agenda items.

2. **Approval of Minutes: September 22, 2020**

Hearing no objection, Chair Kelly stated the approval to accept the September 22, 2020, Audit Committee Meeting Minutes to be entered into record, as written.

3. **Approval of Accounts Receivable Audit**

At 12:04 p.m., Mr. Wageman stated he had joined the meeting; however, he was muted during the roll call.

Mr. Chris Koloc, Director of Internal Audit, who briefed the Committee (handouts on file with the Office of Board Support) as follows:

- Accounts Receivable Audit (DRAFT)

Mr. Wageman inquired if any account receivables were discovered to be significantly overdue, during the audit review, that the agency is aware of. Mr. Koloc responded, yes, there were two accounts that staff noted in their review. After further discussion, Mr. Wageman voiced concern that the current system had not flagged issues, such as this, early enough to elevate the items to the executive level in a timely manner. Mr. Gary Thomas, President/Executive Director, stated he had spoken with Mr. Joseph Costello, Chief Financial Officer, to provide the written process to elevate these items earlier than the current process. He explained Mr. Costello should provide that process by Friday, October 23, 2020 and he would share that process with Mr. Koloc to give him a chance to review it

as well. Mr. Wageman requested a notation in the review to address this issue in the audit. He further requested this item be returned to the Committee for additional review. Chair Kelly agreed.

Mr. Wageman recommended reviewing the emails back to when they were due. Chair Kelly remarked it seemed there was a process issue and staff may need to look at that process.

Chair Kelly opined this seemed like a separate briefing on what other government agencies are doing and recommended staff investigate it. **He then stated the Committee would not act on this item due to the comments that arose from the presentation.**

4. Approval of Employee and Labor Relations Audit

Mr. Koloc briefed the Committee (handouts on file with the Office of Board Support) as follows:

- Employee and Labor Relations Audit (DRAFT)

Mr. Slagel motioned to accept this item for receipt, and recommendation, for the DART Board's review, as presented.

Mr. Stopfer seconded.

Chair Kelly took a Roll Call vote, and the motion was approved unanimously.

5. Approval of Engineering Document Control Audit

Mr. Jackson joined the meeting at 12:19 p.m.

Mr. Rick Reynolds, Contract/Construction Audit Manager, briefed the Committee (handouts on file with the Office of Board Support) as follows:

- Engineering Document Control Audit (DRAFT)

Mr. Stopfer motioned to accept this item for receipt, and recommendation, for the DART Board's review, as presented.

Mr. Slagel seconded.

Chair Kelly took a Roll Call vote, and the motion was approved unanimously.

6. Approval of Electricity Contract Audit

Mr. Reynolds briefed the Committee (handouts on file with the Office of Board Support) as follows:

- Electricity Contract Audit (DRAFT)

After some discussion, Mr. Jackson motioned to accept this item for receipt, and recommendation, for the DART Board's review, as presented.

Mr. Stopfer seconded.

Chair Kelly took a Roll Call vote, and the motion was approved unanimously.

7. *Briefing on Status of Fiscal Year 2020 Internal Audit Department Budget

Mr. Koloc briefed the Committee (handouts on file with the Office of Board Support) as follows:

- Status of Fiscal Year 2020 Internal Audit Department Budget

8. ***Briefing on Status of Fiscal Year 2020 Internal Audit Plan**

Mr. Koloc briefed the Committee (handouts on file with the Office of Board Support) as follows:

- Status of Fiscal Year 2020 Internal Audit Plan

Ms. Torres joined the meeting at 12:32 p.m.

9. ***Briefing on Status of Management Action Plan**

Mr. Koloc briefed the Committee (handouts on file with the Office of Board Support) as follows:

Ms. Wong Krause joined the meeting at 12:34 p.m.

- Status of Management Action Plan

10. **Approval of Fiscal Year 2020 Performance Evaluation for the Director of Internal Audit**

Chair Kelly stated that it was 12:45 p.m. on Tuesday, October 20, 2020, and unless the individual being reviewed requests that this item be discussed in public, the Dallas Area Rapid Transit Audit Committee was going into Closed Session under the Texas Open Meetings Act, Section 551.074, which allows deliberation of a personnel matter, to discuss Agenda Item 10, **Approval of Fiscal Year 2020 Performance Evaluation for the Director of Internal Audit.**

The Committee reconvened into Open Session at 1:17 p.m.

Mr. Stopfer motioned to forward this item to the Committee-of-the-Whole and Board, stating that the Board finds Mr. Koloc's job performance during FY 2020 to be satisfactory.

Mr. Slagel seconded.

Chair Kelly took a Roll Call vote, and the motion was approved unanimously.

11. **Identification of Future Agenda Items**

There were no future agenda items identified for this Committee.

12. **Adjournment**

There being no further business to discuss, the meeting adjourned at 1:20 p.m.



Josefina Chavira, CAP
Board Committee Secretary

/jc

+ Same Night Item

* Briefing Item



Agenda Report

DATE: November 10, 2020

SUBJECT: Briefing on Personnel Complaint and Investigation Conducted by Public Integrity Committee

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- The purpose of this item is to brief the Audit Committee about a personnel complaint and investigation conducted by the Public Integrity Committee involving bonus compensations.
- Discussion of this item will help achieve Board Strategic Priority 4: Pursue excellence through employee engagement, diversity, development and well-being.