

Colorado Transportation Commission
Audit Review Committee Agenda
Wednesday, October 16, 2019

Sidny Zink, Chair
District 8

Rocky Scott
District 9

Don Stanton,
District 2

All commissioners are invited to attend this Committee meeting.

1.	Call to Order	Verbal
2.	Approval of July 17, 2019 Minutes	p. 1
3.	4.0 Policy Directive (Charter) Update	Verbal
4.	Audit Division FY 2019 Results	Verbal

THE AGENDA MAY BE ALTERED AT THE CHAIR'S DISCRETION



**Colorado Transportation Commission
Audit Review Committee (ARC) Meeting
July 17, 2019
5:15 p.m. - 6:15 p.m.
CDOT Headquarters**

AUDIT COMMITTEE MEMBERS: Rocky Scott; Bill Thiebaut; and Sidny Zink, Chair

EXECUTIVE MANAGEMENT TEAM: Frank Spinelli, Audit Director; Herman Stockinger, Deputy Director; Jeff Sudmeier, CFO; and Kathy Young, First Assistant Attorney General

AUDIT TEAM: Jim Ballard, Audit Manager; Robyn Lamb, Audit Supervisor; Daniel Pia, Audit Supervisor; Chris Stapley, Auditor III; Chris Woodward, Auditor I; James Moseley, Auditor I; Patrick Wheat, Auditor I

Call to Order

Chair Zink called the meeting to order at 5:15 p.m.

Approval of May 15, 2019 Minutes

Chair Zink made a MOTION to approve the May 2019 minutes. All voted in favor.

Chair Remarks

Chair Zink said that the state legislative audit committee was handled well by CDOT representatives, including Jeff Sudmeier. Mr. Sudmeier agreed and said that the committee was receptive to CDOT's recommendations.

Chair Zink opened discussion on the role of the audit committee as defined by the Audit Division Policy (PD 4.0). The committee discussed what constitutes a public committee meeting. Ms. Young said that any discussion between two commissioners is a public meeting, though the meeting only needs to be noted if three or more commissioners are meeting.

Chair Zink opened discussion on audit activities and reporting, specifically regarding what audit reporting is appropriate for review by the audit committee. Commissioner Thiebaut suggested that the Audit Policy may be amended in order to clarify what audit reporting would be appropriate for audit committee review. Herman Stockinger said he was concerned that, under conditions by which Audit reports all activities to the committee, management could be discouraged from approaching Audit for advisement. Ms. Young said that there are legal means that allow the transportation commission to protect certain audit papers rather than releasing sensitive information to the public. Discussion followed regarding how the audit committee should approach discussion of audit reports and consulting services.

Motion and Release of Local Agency Report

Mr. Spinelli introduced the Local Agency report, saying that the audit was performed as both a performance and compliance audit. Commissioner Thiebaut moved to release the local agency report without need the need for discussion. The motion was seconded and all voted in favor



to release the report without discussion. James Moseley, Auditor I, presented the audit report, including audit objectives, findings, and recommendations.

Chair Zink asked whether the recommendations should be made to the contractors working on federal projects, or to CDOT management. Mr. Sudmeier said that it is the responsibility of CDOT to monitor how pass-through funding is utilized on local agency projects. Mr. Pia said that the value of the audit is passed to local agencies in a collaborative effort with CDOT local agency coordinators.

Motion and Release of Contract Report

Chair Zink introduced the Contract Report. Mr. Spinelli said that the timing on this report was pre-mature as management had yet to provide a formal response to the report. Commissioner Thiebaut made a MOTION to remove the item from the meeting agenda. The motion was seconded, and all voted in favor to remove the item from the agenda.

FY 2020 Audit Plan

Mr. Spinelli introduced the FY 2020 Audit Plan by describing the planning process, including the performance of risk assessments in order to identify audit topics. The top five risks included, regulatory matters, policies & procedures, contract costs, expenditures, and staffing.

FY 2020 External Audit Plan

Mr. Spinelli introduced the FY 2020 External Audit Plan. The following are many of the External Audit activities: single audits, sub-recipient monitoring, indirect cost rate reviews, EPA reviews, direct salary rate reviews, indirect cost rate reviews for local public agencies, sole source reviews, cognizant reviews, final cost examinations, and disputes & claims.

Commissioner Scott made a MOTION to approve the FY 2020 Audit Plan, and all voted in favor.

Adjournment

Meeting was adjourned at 6:15 pm.

