



**BOARD OF DIRECTORS**

**METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY**

**AUDIT COMMITTEE**

**THURSDAY, AUGUST 15, 2024**

**ATLANTA, GEORGIA**

**MEETING MINUTES**

**1. CALL TO ORDER AND ROLL CALL**

Committee Chair Roderick Frierson called the meeting to order at 10:03 A.M.

**Board Members**

**Present:**

William Floyd  
Roderick Frierson  
Freda Hardage  
Jennifer Ide  
Sagirah Jones

**Board Members**

**Absent:**

Stacy Blakley  
James Durrett  
Russell McMurry  
Al Pond  
Kathryn Powers  
Rita Scott  
Thomas Worthy  
Valencia Williamson  
Jacob Tzegaegbe  
Jannine Miller

**Staff Members Present:**

Carrie Rocha  
Rhonda Allen  
Micheal Kreher  
George Wright  
Kevin Hurley

**Also in Attendance:** Justice Leah Ward Sears  
Emil Tzanov  
Paula Nash  
Jacqueline Holland  
Kenya Hammond  
Phyllis Bryant  
Gloria Londono  
Tyrene Huff

**2. APPROVAL OF THE MINUTES**

**Minutes from May 16, 2024**

Approval of the May 16, 2024, Audit Committee Meeting Minutes. On a motion by Board Member Hardage, seconded by Board Member Jones, the motion passed by a vote of 4 to 0 with 4 members present.

**3. BRIEFING**

**Internal Audit Q4/FY24 Activity**

Emil Tzanov, AGM Internal Audit briefed the Committee on the Q4/FY24 audit activity.

**4. OTHER MATTERS**

None

**5. ADJOURNMENT**

The Committee meeting adjourned at 10:24 A.M.

Respectfully submitted,



Tyrene L. Huff  
Assistant Secretary to the Board

YouTube link: [https://www.youtube.com/live/jMTxjJRPi\\_Y?feature=shared](https://www.youtube.com/live/jMTxjJRPi_Y?feature=shared)



# Internal Audit Activity Briefing

Q4 / FY24 ~ Apr. 1 – Jun. 30, 2024

# Operational Group Audits

Q4 / FY24

A

Audit Title	Audit Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
SOC 1 Reports Review	6/4/24	Low Risk	Completed	-	-	-	-	-	-	-	-
Streetcar Maintenance Audit	6/18/24	Needs Attention	Completed	1	-	1	-	-	-	-	-
<i>- Limited Focus on Strategic Direction and Oversight</i>											
Rail Car Maintenance Audit	6/18/24	Low Risk	Completed	-	-	-	-	-	-	-	-
Bus Shelter Project Audit	6/26/24	Low Risk	Completed	-	-	-	-	-	-	-	-

# Operational Group Audits

Q4 / FY24

B

Audit Title	Audit Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
<b>Mobility Service Audit</b>	6/26/24	High Risk	Completed	3	-	3	-	-	-	-	-
		<ul style="list-style-type: none"> <li>- Unauthorized commitments bypassing the contract modification process.</li> <li>- Contract modifications without updated Independent Cost Estimates (ICEs).</li> <li>- Ineffective contract oversight related to various contract language clauses.</li> </ul>									
<b>Indian Creek Station Audit</b>	TBD	TBD	Planning	-	-	-	-	-	-	-	-
<b>Employee Timekeeping Audit</b>	TBD	TBD	Planning	-	-	-	-	-	-	-	-
<b>Clayton County Operations Audit</b>	TBD	TBD	Planning	-	-	-	-	-	-	-	-
<b>Total Significant &amp; Moderate Findings:</b>				<b>4</b>		<b>4</b>	-	-	-	-	-

# Prior Operational Audits with Open Findings

Audit Title	Audit Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
Capital Projects – Soft Cost	9/30/22	Needs Attention	Completed	-	-	-	-	2	1	1	-
Review of Transit Oriented Development	5/15/23	Needs Attention	Completed	3	2	1	-	1	1	-	-
				- The Office of Real Estate does not have a document management System (12/31/2024).							
Attracting & Retaining Employees	6/28/23	High Risk	Completed	4	3	-	1	4	4	-	-
				- Employee Handbook needs to be developed (6/30/2024)							
Wayside Access & Safety	3/19/24	Needs Attention	Completed	1	1	-	-	2	1	1	-
Track Maintenance	3/27/24	Needs Attention	Completed	-	-	-	-	-	-	2	-
<b>Total Significant &amp; Moderate Findings:</b>				<b>8</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>-</b>

# IT Group Audits

## Q4 / FY24

Audit Title	Audit Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
<b>Elements of IT Operations</b>	04/12/24	High Risk	Completed	5	-	5	-	2	-	2	-
<b>IT Software Asset Management</b>	TBD	TBD	Fieldwork	-	-	-	-	-	-	-	-
<b>Software Maintenance</b>	TBD	TBD	Planning	-	-	-	-	-	-	-	-
<b>Total Significant &amp; Moderate Findings:</b>				<b>5</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>

# Prior IT Audits with Open Findings

Audit Title	Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
Cybersecurity – PCs, Email and Internet	06/24/19	High Risk	Completed	5	4	-	1	4	4	-	-
Identity and Access Management Audit	5/4/23	High Risk	Completed	3	1	-	2	1	-	-	1
IT Hardware Asset Management Audit	9/29/23	High Risk	Completed	1	-	1	-	4	-	4	-
IT Support of Critical Enterprise Applications and Systems	11/08/23	High Risk	Completed	1	-	1	-	3	-	3	-
<b>Total Significant &amp; Moderate Findings:</b>				<b>10</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>12</b>	<b>4</b>	<b>7</b>	<b>1</b>



# Contract Group Audits

Q4 / FY24

## Contract Audits Completed

Audit Ratings	No. of Audits Issued
Low Risk	20
Needs Attention	2
High Risk	0
<b>Total Audits Issued</b>	<b>22</b>

## Contract Audits In Progress

Audit Types	
Interim / Close Out	0
Rate Reviews	12
Forward Pricing	0
Buy America / Special Request	0
Cost / Price Analysis	1
Change Orders	0

- ✓ Identified Unallowable Cost in Overhead Rate Reviews as per Federal Acquisition Regulation (FAR) - none
- ✓ Identified Unsupported Costs in Cost/Price and Change Order Reviews \$457,000

## FY24 Internal Audit Summary

Audit Branch / Type	Total
Contract Audits	<b>122</b>
<i>Identified Unallowable Costs in Overhead Rates (as per Federal Acquisition Regulations)</i>	<b>\$255K</b>
<i>Identified Unsupported Cost in Cost / Price and Change Order Reviews</i>	<b>\$1.8M</b>
Operational Audit Engagements	<b>11</b>
IT Audit Engagements	<b>4</b>
Investigations	<b>2</b>

## Fraud, Waste & Abuse Summary



### Newly Reported Allegations

- No new allegations received in Q4.

## Other Internal Audit Updates

- 2024 MARTOC Management Audit on schedule.
  - Conducted by KPMG
  - Statutory deadline 12/31/2024
- MARTA's Annual External Financial Audit of its financial statements on schedule.
  - Conducted by Crowe, LLP
  - Deadline Nov. Audit Committee



