

**MINUTES OF A PUBLIC MEETING OF THE AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY**

The **Audit Committee** of the Board of Directors of the Regional Transportation Authority met in public session on **Thursday, March 17, 2016**, at 8:35 a.m., in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Chairman Durante presided.

ROLL CALL

Committee members present (7): Coulson, DeWitte, Durante, Lewis, Melvin, Pang, and Ross

Committee members absent (1): Anderson

Other Board members present: Frega, Fuentes, Hobson, Magalis, Totten, Troiani and Chairman Dillard

Approval of minutes from the meeting held on June 25, 2015

Director DeWitte moved, and Director Lewis seconded that the minutes from the meeting held on June 25, 2015 be approved as submitted. The motion carried on the following roll call vote:

7 Yeas: Directors Coulson, DeWitte, Durante, Lewis, Melvin, Pang, and Ross

1 Absent: Director Anderson

Presentation of the 2016 Audit Plan

Mr. Zumach provided a summary of the audit plan development process including the update to the annual risk assessment, resulting changes to the five-year plan, and then covered the proposed plan for 2016. The presentation included information on completion of the original system-wide risk assessment and resulting five-year audit plan, the steps in the annual process to update the risk assessment and the five-year plan, and the creation of the 2016 Annual Audit Plan based upon the changes to the risk profile. He also discussed the basic components of the 2016 plan and mentioned that the Grant Close-out audits shown in the plan are performed annually at each of the Service Boards and are the audits identified in the contract which will be presented later in the meeting.

Director Hobson asked if there will be a cyber security-type audit performed on the Positive Train Control (PTC) system when it is implemented. Mr. Zumach responded that the cyber security audit is currently on-going and the PTC system is still in its initial stages. When the PTC system is closer to implementation, a cyber security-type review will be scheduled.

Director Lewis asked a question regarding the blanks on the line for Contract Compliance in the schedule *2016 Projects Reconciled to Prior Plan* included in their materials was intentional. Mr. Zumach stated that the reason for the blanks was that the item was not included in the prior year schedule.

**APPROVED BY THE AUDIT COMMITTEE
JUNE 23, 2016**

Director Coulson asked if the high level of debt within the system's finances was a high risk and whether it was included anywhere in the plan. Mr. Zumach stated that Liquidity and Funding were both included as higher ranked risks. However, currently there are no audits in the plan to cover those risks. He stated that such an audit could be included for next year, or if the Board requested, the 2016 Plan could be changed to include such an audit in 2016. Director Coulson wanted to make sure we had included it as a high risk because he believes it is an area that should be addressed.

ADJOURNMENT

There being no further business to come before the public session of the Audit Committee, Director Fuentes moved, and Director Coulson seconded that the meeting adjourn. The motion carried by the following voice vote:

7 Yeas: Directors Coulson, DeWitte, Durante, Lewis, Melvin, Pang, and Ross

1 Absent: Director Anderson

The meeting ended at 8:45 a.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority