

AASHTO
ADMINISTRATIVE COMMITTEE
SUBCOMMITTEE ON INTERNAL AND EXTERNAL AUDIT
25TH ANNUAL MEETING JULY 27TH THRU JULY 30TH 2003
DULUTH, MINNESOTA
MINUTES

ATTENDANCE (ATTENDEE LIST ATTACHED)

STATE TRANSPORTATION AGENCIES – 56

FEDERAL HIGHWAY ADMINISTRATION – 4

AASHTO – 2

USDOT OIG – 2

OTHERS – 14

TOTAL REGISTRANTS – 78

CONTINUING EDUCATION CREDIT: 16 HOURS FOR THE MEETING

OPENING:

RON GIPP, MINNESOTA DOT AUDIT DIRECTOR

WELCOME:

MIKE ROBINSON, MINNESOTA DOT DISTRICT ENGINEER

DOUGLAS DIFFERT, MINNESOTA DOT DEPUTY COMMISSIONER/CHIEF ENGINEER

PRESENTATIONS:

THE PRESENTATIONS WERE VERY INFORMATIVE AND GENERATED DISCUSSIONS AND EXCHANGES OF INFORMATION

KENNETH MEAD, INSPECTOR GENERAL, GAVE THE KEYNOTE ADDRESS SPEAKING ABOUT WHAT HAD BEEN ACCOMPLISHED IN THE PAST YEAR AND THE PROGRAMS PLANNED FOR REVIEW IN THE COMING YEAR.

DAVE CHRISTENSEN, MINNESOTA DOT, SPOKE ABOUT THE AUDIT OF FLEET MANAGEMENT (PART 1).

JERRY JONES, MICHIGAN DOT, SPOKE ABOUT THE AUDIT ORGANIZATION AND PERFORMANCE MANAGEMENT OF THE WORK PERFORMED BY HIS OFFICE.

JOHN ASMUSSIN, EXECUTIVE DIRECTOR OF INTERNAL AUDITING, MINNESOTA STATE COLLEGES AND UNIVERSITIES SYSTEM, ADDRESSED SYSTEM LEVEL ACCOUNTABILITY FRAMEWORK: CREATING A GOVERNANCE SCORECARD.

ROGER ROBERTS, AASHTO LIAISON AND DAVID DUBOV, AASHTO WEB BUSINESS MANAGER PRESENTED AN AUDIT WEBSITE DEMONSTRATION.

CECIL BRAGG AND JOHN GREENE, FLORIDA DOT DISCUSSED PERFORMANCE INDICATORS FOR THEIR AUDIT STAFF.

DAVE CHRISTENSEN, MINNESOTA DOT, CONTINUED HIS PRESENTATION ON THE AUDIT OF FLEET MANAGEMENT (PART 2).

DAN YOUNG, MONTANA DOT, SPOKE ABOUT HIS AUDIT ORGANIZATION,
FUNCTIONS AND PERFORMANCE.

GWEN PERLMAN, CFO, NEW YORK CITY DOT SPOKE ABOUT NYC DOT'S RESPONSE
TO 9/11 FROM A FINANCIAL PERSPECTIVE.

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ANNUAL SUBCOMMITTEE
BUSINESS MEETING¶
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JULY 30TH 2003¶
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OWEN WHITWORTH, CHAIRMAN
OF THE SUBCOMMITTEE,
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CARRI ROSTI PRESENTED PLANS
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SOUTH CAROLINA WILL HOST THE
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PERSON. ¶
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MONTANA WAS SELECTED TO
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ANNUAL SUBCOMMITTEE BUSINESS MEETING
TASK FORCE REPORTS AND DISCUSSION
JULY 30TH 2003

OWEN WHITWORTH, CHAIRMAN OF THE SUBCOMMITTEE, PRESIDED

CARRI ROSTI PRESENTED PLANS FOR THE 2004 MEETING IN BOISE,
IDAHO TO BE HELD JULY 25TH THRU JULY 28TH, 2004.

SOUTH CAROLINA WILL HOST THE 2005 MEETING WITH SHERRY
BARTON BEING THE CONTACT PERSON.

MONTANA WAS SELECTED TO HOST THE 2006 MEETING WITH DAN
YOUNG BEING THE CONTACT PERSON.

TOM DEVINE, IOWA CHAIR OF THE PEER REVIEW COMMITTEE,
REPORTED ON THE REVIEWS COMPLETED AND SCHEDULED.

CHAIRMAN WHITWORTH PRESENTED TOM DEVINE A PLAQUE
EXPRESSING THE SUBCOMMITTEES APPRECIATION FOR HIS
CHAIRING THE PEER REVIEW COMMITTEE.

THE PEER REVIEW COMMITTEE MEMBERS ARE:

MICHAEL SPECTOR, ARIZONA, CHAIR
CARRI ROSTI, IDAHO, VICE CHAIR
ROBERTA BROEKER, MISSOURI, MEMBER
BILL GALLANT, DELAWARE, FIRST ALTERNATE
JOHN PARKER, OKLAHOMA, SECOND ALTERNATE

DAN MOTLEY RESIGNED FROM THE PANEL.

TASK FORCE REPORTS:

THE TRAINING TASK FORCE WAS DISCONTINUED.

THE RECRUITMENT/RETENTION TASK FORCE WAS ALSO
DISCONTINUED.

THE AUDIT STANDARDS TASK FORCE WILL RETAIN ITS CURRENT
MEMBERS.

CECIL BRAGG, FL
DAVID GREEN, OK

MICHAEL SPECTOR, AR

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RAILROAD AUDITS:

BRUCE DILLARD REPORTED THAT NORFOLK, SOUTHERN RAILROAD REPORT WAS COMPLETED FOR 2000 AND 2001.

CSX – NO ACCESS TO WORK PAPERS BECAUSE INSPECTOR GENERAL PERFORMING INVESTIGATION.

BNSF – TEXAS IS REVIEWING DATA ON BNSF FOR 1999, 2000 AND 2001 IN LIEU OF FULL SCOPE AUDIT. THEY ARE ALSO NEGOTIATING APPLICATION OF RATES FOR 2000. BNSF IS ANTICIPATING CONTRACTING WITH PWC FOR THE 2002 RATES. TEXAS WILL REVIEW THE CPA'S WORK PAPERS, BUT WON'T ISSUE AN OPINION. FOR THE REVIEW OF THE CPA'S WORK PAPERS, TEXAS WILL SEEK HELP FROM THE SAME STATES THAT HELPED WITH THE 1998 RATES; IOWA-MATT SWANSON, ILLINOIS-WENDALL SHEELEY AND MINNESOTA-DAN KAHNKE.

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THE UNIFORM AUDIT AND ACCOUNTING GUIDE TASK FORCE WILL SEND OUT FOR COMMENTS (JERRY KOERNER). LAMAR STATED THAT UNIFORM BILLING IS BEING PURSUED AND HE WILL SEND OUT A SURVEY AFTER THE SOUTHEAST AUDIT WORKSHOP IN OCTOBER.

ROGER ROBERTS WILL NOW DO THE MEMBERSHIP DIRECTORY THAT TEXAS HAS BEEN MAINTAINING.

LAMAR MCDAVID WILL SEND THE LISTING OF CONSULTANTS

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OUT SHORTLY. THE GOAL IS TO PUT THIS ON A WEBSITE IN THE FUTURE.

FRANK MORWAY, MICHIGAN NOTED THAT RESPONSES TO SURVEY OF INTERNAL AUDITS ARE

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DOWN, BUT WILL CONTINUE THE SURVEY. SIXTEEN STATES RESPONDED THIS YEAR, DOWN FROM TWENTY-FOUR TWO YEARS AGO.

THE TASK FORCE ON BYLAWS WHICH DOCUMENTED

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WILL BE PUT OUT TO THE MEMBERSHIP FOR AN UP/DOWN VOTE.

NEW BUSINESS:
THE OIG PRESENTED W

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A RISK ASSESSMENT GUIDE BY VIDEO CONFERENCE WHICH CAN BE VIEWED AT WWW.WASHTO-X.ORG (THE RISK ASSESSMENT GUIDE IS AVAILABLE AT WWW.OIG.DOT.GOV CLICK ON TRANSPORTATION, INFRASTRUCTURE, HIGHWAYS, JUNE 18 2003).

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A TASK FORCE FOR AUDIT QUALITY WAS PROPOSED. IT WILL BE CALLED THE DAVE CAMPBELL QUALITY AWARD. IT WILL FOCUS ON AUDIT REPORTS WITH A FOCUS ON PRACTICES AND EXEMPLARY SERVICE TO CUSTOMERS.

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A MOTION FOR THE TASK FORCE ON AUDIT QUALITY WAS MADE BY ALEX SABO AND SECONDED BY LINDA ZINZOW . THE MOTION PASSED.

THE CHAIR WILL BE: LINDA ZINZOW, NEW YORK
MEMBERS ARE: WAYNE DONALDSON, WASHINGTON
SHERRY BARTON, SOUTH CAROLINA
BRENDA BANKS, GEORGIA
STEVE REITZ, UTAH
ALEX SABO, VIRGINIA
RUSSELL WRIGHT, KENTUCKY
ROGER ROBERTS, AASHTO

JOHN JEFFERS, REPORTED THAT THE ANNUAL FEDERAL AID REVIEW BILL HAS BEEN SIGNED INTO LAW.

A TASK FORCE WAS NAMED TO DEVELOP QUALITY FINANCIAL MANAGEMENT INITIATIVES THAT WOULD ASSURE FHWA WE ARE ADDRESSING THEIR CONCERNS. (BEST PRACTICES ON FEDERAL AID BILLING)

CHAIR: JOHN JEFFERS, FHWA
MEMBERS: TO BE NAMED, TEXAS
TO BE NAMED, SOUTH CAROLINA
TO BE NAMED, FLORIDA
TO BE NAMED, DELAWARE
TO BE NAMED, VIRGINIA
MELISSA WOOD, WEST VIRGINIA
RUSSELL WRIGHT, KENTUCKY

JERRY WHITEHOUSE, KENTUCKY, WILL BE RETIRING, AND WAS
CONGRATULATED AND WISHED A HAPPY, HEALTHY, AND
PRODUCTIVE RETIREMENT.

THE MEETING WAS ADJOURNED BY OWEN WHITWORTH, CHAIR.