

**2004 AASHTO Audit Subcommittee Conference
Business Meeting
Wednesday, July 28, 2004**

Owen Whitworth, Chair, called the meeting to order.

Host states for future meetings:

2005, South Carolina - Sherry Barton had shown a video

2006-Montana – Dennis Sheehy showed a video

2007-Virginia

2008-Texas (selected at current meeting)

General:

Ron Gipp, Minnesota - retiring

Don Breniman, Iowa - retiring

Florida - three positions available in the construction claim/consultant area

Bylaws Ballot from last year:

45 states responded, each with 2 votes (external & internal)

Bylaws have passed with vast majority

Officer Nominations:

Nominated by current officers:

Lamar McDavid - President

Jerry Jones - Vice President

Carri Rosti – Secretary

Nominations opened to floor: no nominations from floor

Nominees elected and will be effective at the next AASHTO general meeting.

A letter will be sent to AASHTO president with recommended nominations

Roger Roberts, AASHTO, gave an update on Subcommittee Directory:

Transferred from Owen's shop to AASHTO and put on the web site

- Set up is easy
- Maintenance is difficult
- Please let them know of any changes needed at any time

- You can use the document in the front of the directory or e-mail Roger
- A quarterly reminder will also be sent out asking for changes/updates

Michael Spector, Arizona, provided the Peer Review Results:

Activity Report: *handout* - states need to get their balances up

Introduced Peer Review Panel Committee Members
 Chairman's Guide was developed
 Peer Review Team Leader Guide drafted by Roberta Broeker
 Peer Review Guide is up to date with 2003 Yellow Book

Voted to adopt a four-opinion Peer Review report
 Incl. Disclaimer
 Helps speed up timing of report issuance
 A lot of subjectivity taken out
 Peer Review should be a learning, useful experience for all involved
 Don't need to "find" something
 Can provide meaningful comments with a management statement or verbally

Items to be Brought Up:... *handout*

Increase from three to five year term - should help with "Chair shock"
 No longer alternate members; all full members
 Previous Chair should be ex-officio member
 Proposed Bylaw changes are needed to do this
Proposal passed

Question: What are criteria for Peer Review members?

- ⇒ Internal and external members
- ⇒ Team leaders need to be a team member previously
- ⇒ Geography was used last year due to tight budgets
- ⇒ Nominations should be sent in again to new Peer Review Chair
- ⇒ Look at Peer Review Guide as soon as it is available on the web
- ⇒ States should plan their nominations far in advance

- ⇒ Timely Reports are very important
- ⇒ Bylaws suggest 60 days to send report to Peer Review Panel
- ⇒ It is all in your planning; you can do a lot before you go to site
- ⇒ Know what you are going to do before you go
- ⇒ Do it while you are there

- ⇒ Exit meeting, draft report & summary before you leave
- ⇒ All disputes should be resolved by end of exit meeting
- ⇒ Talk to state as you go along so they can address issues
- ⇒ Each month past 60 days without written permission will result in one point being deducted from Team Leader's state's PR balance

Peer Review Panel needs a volunteer:

Develop worksheet for part of Yellow Book and possibly others
Small project and shouldn't be very time consuming

Bruce Dillard (NC), Cecil Bragg (Fla), and Julie Barton (TN) volunteered

Peer Review Panel needs a new member – have a vacancy:

Romi Shah nominated
Would anyone else like to be considered? - no
Opposition? - no

Proposal passed

Task Force Reports:

Audit Quality Award- Linda Zinzow, New York

Met Sunday morning
Refining criteria
Subcommittee has 3 officers and 4 representatives (geographically)
Every January, audit directors are asked for nominations
Suggestion was made to pay for recipient's travel expenses to meeting
Suggestion was made to have award annually or every other year OR annually
but don't have to give one if no one meets criteria
First award will hopefully be given out next year

Group accepts this report and approves the continuation of committee

Internal Audit Guide Taskforce- John Jeffers, FHWA:

Was mostly covered on Monday
Everyone should have picked up the Internal Audit Guide
Recognized committee members (also on Credits page of Guide)
Please send comments, changes, or emerging issues to these members

Group approves continuation of committee; report at next meeting

Railroads- Bruce Dillard, North Carolina:

CSX – go to single state if they operate in your state
Northern & Southern (Virginia) – TN did multi-state audit
Union Pacific – Nebraska doing audit, reports soon
Burlington Northern/Santa Fe – strictly rate audit

Uniform Audit & Accounting Guide-Jeff Owens, Florida:

All units, including federal, represented
All sections add dates, lengths, etc., if necessary
Don't want to change Chapter 10
Each region has two members to bring issues/changes to committee
Let Roger or Carri know who is coming to meeting to vote
Each region should meet once a year

ACEC – Lamar McDavid, Alabama:

Trying to standardize invoices this year (maybe 10 different invoices)
Standardized questionnaires - will come up with examples
Retainage - some states retain, some don't
A one man task force will contact you for input
Senate bill removes state options on consult Overhead rates - controversial

Motion by Lamar McDavid:

Committee Chairman to contact AASHTO and tell them that we are opposed
to removing state options
Discussion –

Motion Passed

Audit Standards Committee report - Cecil Bragg, Florida:

PCABOE
Study the guidance and ramifications
Monitor that
Cecil - IIA governs relating committee members
Changes are in Yellow Book
Separate Non-audit services from Audit source
Workout a “how to” guidance

Red Book updated recently (IIA)
Every five years Peer Review requested

List of Internal Audits - Frank Morway, Michigan (*was not at meeting, but sent a message*)

List will be continued

Consultants Audited List, Alabama, Lamar McDavid, Alabama,

Alabama will still maintain

New Business: – none

Meeting Adjourned