

SUMMARY MINUTES
RISK MANAGEMENT COMMITTEE
MEETING OF DECEMBER 16, 2015

Ms. Wells chaired the December 16 Risk Management Committee Meeting, calling it to order at 9:41 a.m. A quorum was present during the Meeting: Mr. Griffin, Mr. Kennedy, Ms. Merrick, Mr. Mims, Mr. Pozen and Mr. Conner, *ex officio*. Mr. Caputo, Mr. Chapman, Mr. Curto, Ms. Hanley, Ms. Lang, Mr. McDermott and Mr. Williams were also present.

Recommendation to Approve Office of Audit Policies and Procedures. Lee Wyckoff, Vice President for Audit, reported that the Office of Audit has been undergoing improvements as a result of the 2015 Department of Transportation Office of Inspector General audit.

At 9:45 a.m., the Committee recessed its meeting to allow the Board of Directors Meeting to begin timely, as required by the Bylaws.

At 9:46 a.m., Ms. Wells reconvened the Committee Meeting, with the same Members present.

Mr. Wyckoff noted that the proposed policies and procedures, which he believed met the Institute of Internal Auditors Standards, had been reviewed by the Chief Executive Officer (CEO), Officer of General Counsel, Internal Controls and Compliance, the Interim Secretary and the Accountability Officer. The proposed policies and procedures also reconciled the items that the Department of Transportation Office of Inspector General had expressed as concerns. Mr. Wyckoff noted that OIG staff would conduct a final review of the proposed policies and procedures. He stated that he would keep the Committee apprised of the status of the final review, and reported that the proposed policies and procedures had been well researched and vetted. Mr. Wyckoff reviewed the following proposed Policies and Procedures, including the purpose and key requirements of each:

- Quality Assurance and Improvement Program,
- Procedures for Issuing Office of Audit Policies,
- Professional Certificates and Continuing Professional Education,
- Documenting and Controlling Engagement Work Paper Files (which he noted that OIG had highlighted a number of deficiencies),
- Independence,

- Supervisory Responsibilities in Engagement Planning and Execution,
- Communicating Results of Engagements, and
- Risk Assessment and Engagement Planning, which must be updated, as a minimum, on an annual basis and require approval by the CEO and Board.

With regard to the Risk Assessment and Engagement Planning, Mr. Wyckoff noted that a questionnaire had been distributed to all Vice Presidents and senior management, as well as to Board Members, to obtain sufficient information to understand the risk profile of the organization and to develop an audit plan. He stated that he would provide information in the near term on the intended audit plan and the actual audits to be conducted in 2016.

With regard to continuing education, Mr. Kennedy inquired whether the courses that staff would take would be approved by the Institute of Internal Auditors. Mr. Wyckoff explained that all professional certifications have certain requirements that staff have to meet as part of continuing their professional education for inclusion into personnel files.

The Committee approved the Office of Audit Policies and Procedures. Ms. Wells stated that she would offer a motion later in the day's Board Meeting.

The meeting was thereupon adjourned at 9:55 a.m.