

NC BOARD OF TRANSPORTATION
AUDIT AND CONTRACT REVIEW COMMITTEE
January 05, 2011

Meeting Minutes

The Audit and Contract Review Committee meeting was held on January 5, 2011, in the Transportation Building, Board Room 150. The meeting was called to order at 11:30 a.m. by committee chair Gus Tulloss. A motion to approve the November 3, 2010, minutes was made by Ronnie Wall and a seconded by Sam Halsey. Other Board of Transportation members that attended were: Wanda Proffitt. Board members Mike Fox and Ralph Womble were absent.

Other attendees included: Beth McKay, Willard Young, Ehren Meister, Curtis Long, Yuji Smith, Sandy Nance, Victor Barbour, Wally Bowman and Linda Fuller.

Management's Response to NCDOT's Performance Metrics Audit Report No. 1-08.0-010

Victor Barbour, PE, Technical Services Administrator, addressed the recommendations outlined in the Performance Metrics Audit. The audit was conducted at the request of the Offices of Governance and Technical Services in October 2009. The audit focused primarily on the performance data from the SFY 2008 and 2009 time periods. Technical Services addressed three key areas outlined in the audit 1) Development of written policy and procedures 2) Standard control measures and 3) Documentation. Since the completion of the audit Technical Services has implemented the Internal Management Dashboard. Ehren Meister demonstrated the Dashboard tool which is securely available to DOT management via the web. The Dashboard reflects 14 technical performance gauges which are available to DOT management, however, once fully implemented the Dashboard will reflect at least 24 performance gauges. If used effectively the tool will provide valuable data to all divisions as it reflects up-to-date information and trend analysis; i.e. crash data. The data is available 24/7 and is updated daily. To date, the program delivery gauge includes TIP Projects only and does not reflect the division projects which are the bulk of the work. The objective is having OIG audit conduct a complete performance audit review every 3 years with management's approval.

The next committee meeting will be held in April.

Mr. Tulloss adjourned the meeting at 11:55 a.m.

Prepared by:
Linda Fuller


Gus Tulloss, Chair

NC BOARD OF TRANSPORTATION
AUDIT AND CONTRACT REVIEW COMMITTEE
May 04, 2011

Meeting Minutes

The Audit and Contract Review Committee meeting was held on May 4, 2011, in the Transportation Building, EIC Room 114M. The meeting was called to order at 10:35 a.m. by committee chair Gus Tulloss. A motion to approve January 5, 2011, minutes was made by Mike Fox and a seconded by Sam Halsey. Board of Transportation members in attendance were: Mike Fox, Sam Halsey. Board members Wanda Proffitt, Ralph Womble absent.

Other attendees included: Beth McKay, Willard Young, Ehren Meister, Curtis Long, Yuji Smith, Sandy Nance, Victor Barbour, Wally Bowman and Linda Fuller.

OIG Update

The new Inspector General, Eric Boyette outlined his areas of focus since joining OIG in March. Eric will have the OIG team conduct more on-site audits. The EAGLE Project is on target to turn over its audit findings to the State Auditor's by the June 30 deadline. Other areas of focus include more transparency in projects as well as updating Audit Committee members of critical projects in a timely manner.

Cost Index Report

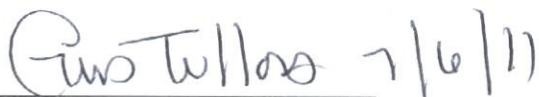
The Cost Index Report was presented by Mr. David Mincey, Senior Engineer - Contract Bid Monitoring (OIG). He presented the 1st Quarter CY 2011 Construction Cost Index (CCI). NCDOT construction price movements in the 1st Quarter were mixed for many item groups. The Single Quarter Composite Cost Index fell slightly due primarily to a significant drop in the average price of Borrow Excavation, which came from a low price in a single large contract. David forecasted that the rising fuel and material costs may force contractors to increase construction prices.

Performance Dashboard

Mr. Tulloss mentioned that Ehren Meister is scheduled to present key highlights of the "Organizational Performance Dashboard" to the full Board later today. Ehren is to present the new and improved version of the Organizational Performance Dashboard. The Dashboard reflects actual "dashboard" with real-time statewide results available in a single glance.

Mr. Tulloss adjourned the meeting at 11:105 a.m.

Prepared by:
Linda Fuller


Gus Tulloss, Chair

NC BOARD OF TRANSPORTATION
AUDIT AND CONTRACT REVIEW COMMITTEE
July 6, 2011

Meeting Minutes

The Audit and Contract Review Committee meeting was held on July 6, 2011, in the Transportation Building, EIC Room 114M. The meeting was called to order at 9:34 a.m. by committee chair Gus Tulloss. A motion to approve May 4, 2011, minutes was made by Mike Fox and seconded by Sam Halsey. Board of Transportation members in attendance were: Mike Fox, Sam Halsey. Board members Wanda Proffitt, Ralph Womble absent.

Other attendees included: Beth McKay, Willard Young, Victor Barbour, Eric Boyette, Katherine White, John Sullivan (FHWA), Bertha Davis, Derrick Lewis, Sandy Nance and Linda Fuller.

Performance Measures

Victor Barbour presented the proposed Executive Performance Metrics for 2012. Changes were made to more closely align the measures to the Departments missions and goals. One of the proposed changes is to obtain a 50% goal of outsourcing to private engineering firms effective July 1st. It was mentioned that Ehren Meister recently presented an overview of DOT's Performance Metrics process at the Northeast Association of State Transportation Officials (NASHTO). It was additionally noted that NCDOT is the only state currently linking the Performance Metrics to the Employee's Performance Dashboard and Appraisal System (PDA) and DOT was recognized for its work on this linkage. The Dashboard Performance Metric system has been in place since 2007.

OIG Update

Eric Boyette, Inspector General provided an update on projects in the following areas: The **Powell Bill** Manager retired effective July 1. The IG is in the process of combining these duties with another employee to continue to streamline and show costs savings. Legislation was passed stating that municipalities that do not have eligible road miles will not receive Powell Bill funding. (GS 136-41.2B handout). In addition, there was an issue with the carry forward balances outstanding from previous year(s) Powell Bill funding.

Ferry Response: An exit conference was held between Jim Trogdon, Ellis Powell and Eric Boyette and the State Auditor's Office on June 20th. The Ferry Audit findings and recommendations were submitted at that time. DOT submitted their management response within the required 10 day turnaround period. The State Auditors findings were consistent with the 2010 OIG Audit Report Findings.

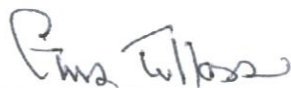
Internal Audit: The Internal Audit Branch completed the Indirect Cost Allocation Audit with no findings. This was a compliance audit. The auditors continue to conduct ARRA Audit reviews. As of July 1, we have completed 29 audit reviews out of the 32 audit population sample.

Single Audit Compliance: In the process of updating the 2011 Grants Master List in addition to fulfilling requests for the 2011 confirmations.

Consultant, Utility, Railroad and Turnpike section – The auditors are conducting post audits on Bridge Inspection program to achieve a more accurate baseline for our internal estimates of contract work. Todd Jones and Eric Boyette will be traveling to Colorado later this month to attend the American Association of State Highway and Transportation Officials (AASHTO) Audit Conference. They will participate in the review and also will be voting on revisions to the Audit Guide.

Investigations: To date the Investigations Branch has logged over 100 investigations for FY 2010-2011. This is the most since OIG was established.

Mr. Tulloss adjourned the meeting at 10:00 a.m.



Gus Tulloss, Chair

Prepared by:
Linda Fuller