

RISK ASSESSMENT AND AUDIT PLAN FOR CALENDAR YEARS 2013, 2014, AND 2015 EXECUTIVE SUMMARY

NOVEMBER 2012

Risk Assessment and Audit Plan

- The Office of Audit conducts audits and reviews to assess whether risks are being managed, management and delivery capacity are being maintained, control is being exercised, and appropriate results are being achieved.
- Pervasive and continuing change over the last five years has added significant risks that the Airports Authority must prioritize, mitigate, manage and monitor in Calendar Years 2013 and beyond.

Risk Assessment and Audit Plan

Key changes include:

- Assuming responsibility for constructing the Metrorail Silver Line, Phases 1 and 2 and for the operation of the Dulles Toll Road.
- An economic outlook characterized by slowed growth, recession, and a slow paced global recovery.
- A broader stakeholder base associated with Metrorail and Dulles Toll Road.
- Implementation of an enterprise-wide reporting system.

Risk Assessment and Audit Plan

- More recently, the Airports Authority received the results of a review of the Airports Authority's governance, ethics, procurement and human resources policies and practices conducted by the U.S. Department of Transportation (DOT), Office of the Inspector General (OIG).
- The audit includes 12 recommendations and 30 specific sub-recommendations to the Secretary of Transportation to facilitate improvement of the Airports Authority's policies processes, internal controls, transparency and accountability.

Risk Assessment and Audit Plan

- **To improve results, the Airports Authority must also expand its commitment to transparency and have at the forefront of its deliberations and decisions a focus on being stewards of federal assets.**

Risk Assessment and Audit Plan

The Calendar Year 2013 Audit Plan allocates resources to develop audit procedures and conduct tests to assess the Airports Authority's efforts to ensure that the newly adopted policies and practices, as a result of the DOT/OIG audit, have gained traction and that the additional recommended changes are implemented and followed.

Risk Assessment and Audit Plan

- The Calendar Year 2013 Risk Assessment and Audit Plan also allocates resources to focus on both continuing and emerging risks in the following areas:
 - ☐ Revenue Producing Activities
 - ☐ IT Fixed Assets
 - ☐ Oracle Business Processes and Internal Controls
 - ☐ Contracting Practices
 - ☐ Human Resources
 - ☐ Ethics
 - ☐ Construction
 - ☐ Travel and Business Expenses

Risk Assessment and Audit Plan

- To further reduce risk associated with waste, fraud and abuse, the Office of Audit will soon select a vendor to operate a 24-hour hotline to ensure that employees have a reliable and continuously available process for reporting fraud, waste, and abuse.
- The Office of Audit will be responsible for scheduling and conducting audits and reviews as necessary to address complaints received.

Metropolitan Washington Airports Authority

Office of Audit
2013 Risk Assessment and
Audit Plan
November 14, 2012



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Metropolitan Washington Airports Authority Risk Assessment and Audit Plan for Calendar Years 2013, 2014, and 2015

Executive Summary

The Office of Audit conducts audits and reviews to assess whether risks are being managed, management and delivery capacity are being maintained, control is being exercised, and appropriate results are being achieved. Risk assessment is a continuous process. Internal and external threats constantly develop, presenting new hazards to organizations. Management must continually adapt its policies and procedures to manage its changing risks at an acceptable level.

Pervasive and continuing change over the last five years has added significant risks that the Metropolitan Washington Airports Authority (Airports Authority) must prioritize, manage and monitor in Calendar Years 2013 and beyond. In Calendar Year 2008, the Airports Authority approved a revised design-build contract with Dulles Transit Partners to construct the Metrorail Silver Line, Phase 1 and assumed responsibility for the operation of the Dulles Toll Road.

Over the past several years, the Airports Authority also has had to be continuously attentive and nimble in an ever evolving aviation industry and global economy. The economic outlook for the past five years was initially characterized by slowed growth, followed by actual recession, and a slow paced global recovery. Moreover, the Airports Authority which had operated with substantial autonomy prior to the acquisition of the Dulles Toll Road and assuming responsibility for the construction of Metrorail Silver Line, now has a broader stakeholder base with sometimes differing views on funding, cost control, and final design decisions necessary to successfully complete construction of the Silver Line. To mitigate these risks, the Airports Authority must also expand its commitment to transparency and have at the forefront of its deliberations and decisions a focus on being stewards of federal assets.

On November 1, 2012, the Airports Authority received the results of a review of the Airports Authority's governance, ethics, procurement and human resources policies and practices conducted by the U.S. Department of Transportation, Office of the Inspector General. Their auditors concluded that the Airports Authority's weak policies and procedures have led to questionable procurement practices, mismanagement, and a lack of overall accountability.

The audit includes 12 recommendations and 30 specific sub-recommendations to the Secretary of Transportation to facilitate improvement of the Airports Authority's policies processes, internal controls transparency and accountability. The Secretary also has issued Department of Transportation Order 8000.1C requiring the Airports Authority to provide a response within 30 days after the issuance of the report. The response should state how the Airports Authority will implement the recommendations in the report.

The Calendar Year 2013 Audit Plan allocates resources to develop audit procedures and conduct test to assess the Airports Authority's efforts to ensure that the newly adopted policies and practices have gained traction and that the additional recommended changes are implemented and followed.

The Office of Audit will create a template to track and monitor the implementation of the recommendations at the sub-recommendation level. The Office of Audit will develop audit procedures and conduct tests to assess compliance with the revised Travel and Ethics policies, current and proposed changes in Human Resources and Procurement policies and practices. More than a thousand hours of audit staff time will be devoted to this effort. In addition, the Office of Audit will adjust the Audit Plan as necessary to ensure that all needed resources are available for this pivotal effort. The Office of Audit developed and implemented a similar process to track and monitor changes mandated at the conclusion of the Federal Transit Agency Procurement System Review.¹

To further reduce risk associated with waste, fraud and abuse, the Office of Audit has developed a request for proposals and will soon select a vendor to operate a 24-hour hotline to ensure that employees have a reliable and continuously available process for reporting fraud, waste, and abuse. The Office of Audit will be responsible for scheduling and conducting audits and reviews as necessary to address the complaints received. The Office of Audit will also provide training to assist staff in understanding their rights and to encourage use of the hotline.

Many other efforts underway this year to reduce significant risks associated with financial reporting; contracting practices, fixed asset capitalization and with control over IT fixed assets. More efforts will be needed in 2013 to further mitigate risks in these areas and to better ensure the sustainability of recent efforts to improve outcomes. In each of the last two years, a few accounts had to be restated to correct understated amounts from prior years. Additionally, in 2011 management completed the initial installation of a new enterprise-wide reporting system. In 2011, Oracle software replaced the Ross Accounting System which was installed nearly 25 years ago. This change was a quantum leap laden with risks ranging from non-acceptance by the users; configuration, cross walk and validation errors; and the possibility of fatal non-operability errors. While system operability and sustainability risks have been significantly mitigated, the risk of errors associated with capitalization policies and practices and with accounting for some fixed assets remains relatively high.

¹ The Federal Transit Agency determined that the Airports Authority was deficient in 28 of the elements it considered when reviewing third party contracts and not deficient in 17 other elements. The Office of Audit provided quarterly updates showing the status of the remediation efforts until all of the deficiencies were appropriately addressed. The Office of Audit also provided consultations to management and the Board to assist both groups in understanding the necessity for change and to understand the expectations of the Federal Transit Agency for successfully remediating the deficiencies. The Federal Transit Agency provided favorable comments on our efforts.

Efforts to bring Metrorail to Dulles will continue in 2013. Phase 1 will be the final year of construction. The bidding process for Phase 2 should be completed in 2013. Continuing and new challenges and risks are always present in complicated large scale construction programs.

The Calendar Year 2013 Risk Assessment and Audit Plan focuses on both continuing and emerging risk in the following areas:

- **Revenue Producing Activities:** Parking, general aviation, food and retail closeout;
- **IT Fixed Assets:** Reporting and tracking;
- **Oracle Business Processes and Internal Controls:** Accounts Payable and Capital Projects inception to close;
- **Contracting Practices:** Competitive bidding practices; cost estimating, planning memoranda, sufficiency of technical evaluation committee reports;
- **Human Resources:** Competitive selection process; formalization of policy and procedures;
- **Ethics:** Compliance with reporting procedures; and
- **Construction:** Metrorail beyond Dulles.

The Office of Audit also has increased the frequency of travel audits to annual intervals in compliance with requirements stated in the revised Travel Manual.

Risk assessment encompasses an initial determination of operating objectives, then a systematic identification of those things that could prevent each objective from being attained. In other words, it is an analysis of what could go wrong. This risk assessment also gives ample consideration to strategic, operational and business risks as well as compliance and financial reporting risks.

The Risk Assessment and Audit Plan for 2013 shows risk levels and auditable activities for four audit categories: The three business segments within the two funds: Aviation, Metrorail Project, Dulles Toll Road, and for Authority-wide business functions such as information technology, procurement and financial operations.

The schedule below shows the percent of the total hours allocated among the internal audit categories.

Estimated Percent of Resources Allocated to Financial Statement Audit and Audit Categories

Audit Category	Percent of Hours
Audit Categories	
➤ Authority-wide Business Functions	26
➤ Aviation	55
➤ Dulles Toll Road	11
➤ Metrorail Project	8
Total	100

The hours associated with developing and reporting on the Department of Transportation/Office of the Inspector General recommendations are in the Authority-wide Business Functions. This Risk Assessment and Audit Plan are sufficiently flexible to allow adjustment for evolving conditions in the broader economy, the transportation sector, and as a result of the Airports Authority's efforts to enhance transparency and governance and to implement the recommendations in the Department of Transportation, Office of the Inspector General Report.

Valerie Holt, CPA, CGMA
Vice President of Audit

Metropolitan Washington Airports Authority Risk Assessment for Calendar Years 2013, 2014, and 2015

Organizational Risk

The cornerstone of an effective internal audit function is performing a comprehensive risk assessment. This ongoing review provides management with an assessment of the key risks that must be controlled or mitigated to enable the organization to achieve its strategic business objectives. The assessment of organizational risk begins with the understanding that all organizations are exposed to risks and that not all risks are equal. Some are more likely than others to occur, and some will have a greater impact than others if they occur. Once risks are identified, both probability and significance must be assessed. Finally, having identified and assessed risk, decisions are needed on the best approaches to deal with risk. In some cases, the decision may be to control it; in others, it may be to accept it.

Risk Assessment

Risk assessment, as defined by the IIA *Standards for the Professional Practice of Internal Auditing*, is a systematic process for assessing and integrating professional judgments about probable conditions or events. Risk assessment requires an initial determination of operating objectives, then a systematic identification of those things that could prevent each objective from being attained.

Organizational risks are events, actions, and process interruptions that can have an adverse affect. To mitigate risk, management must have a systematic and continuous process for evaluating and making judgments about how risk impacts an organization's ability to compete, maintain financial strength and provide high quality products and services.

Macro risk assessment looks at the risks facing the enterprise as a whole. Micro risk assessment considers the risk factors that are relevant to a specific auditable activity. The objective of macro risk assessment is to ensure that scarce audit resources are allocated to areas that need the most attention. The Office of Audit assesses organization-wide risk to think through the allocation of internal audit resources. The *Calendar Year 2013 Risk Assessment* builds on the prior year's assessments and the results of internal and financial statement audits.

The methodology for developing the Office of Audit Risk Assessment includes:

- Conducting interviews with vice presidents, managers and staff;
- Reviewing the prior year's risk assessments and audit reports;
- Identifying and classifying the universe of auditable activities;
- Discussing control structure with the independent accountants;

- Considering the Airports Authority's mission and goals that guide the organization;
- Considering the Airports Authority's nine strategic initiatives; and
- Developing and using a risk model to analyze the data and prioritize the risk levels of risk.

Our annual assessment process also includes considering several risk-based questions, which are listed below, that reflect the Airports Authority's goals, strategic initiatives and business plan:

- Are safety and security-related risks monitored?
- Are reliable and consistently measured revenue, expense, and operations data available?
- Are revenue schedules for concessions and contract operation reliable and accurate?
- Are duties appropriately segregated within and among finance and operations staff?
- Are forecasts for revenue and cost reasonable and reliable?
- Are information security controls in place and actively monitored?
- Are ethics policies for Board and management consistently followed?
- Is their sufficient focus on maximizing competitive selection processes?
- Is delivery capacity appropriately synchronized with customer demand?
- Does the contract award process adhere to published standards?
- Does the contract have specific and enforceable language?
- Do contract officers and contracting officer's technical representatives understand and enforce contract terms?
- Are contract charges for overhead rates, time and materials, and change orders based on actual verifiable costs?
- Are changing conditions in the control environment routinely noted and addressed in a timely manner?
- Do employees appreciate and support planned changes in the technology environment?
- Are control activities for outside service organizations appropriately monitored?
- Are spreadsheet controls in place for key management reports?
- Are project managers adequately monitoring the project schedules to assure that results are being achieved as planned?
- Are costs within budget?
- Are quality control procedures adequate?
- Are the levels of service and quality of personnel required per the terms of the contract actually being provided to the Airports Authority?

- Are the overhead rates and charges for other services in accordance with the contract terms?
- Are estimates for the use of disadvantaged business enterprises and local and disadvantaged businesses being achieved?
- Are changing conditions or costs for construction activities monitored and reported?
- Are change orders being addressed when the need occurs rather than being deferred until the end of the project?
- Are risks that are likely to result in cost overruns, return on investment shortfalls, and delays being adequately monitored?
- Are supply inventories accurate?
- Is the use and ownership of equipment, small tools and automobiles being properly controlled?

The results of the risk assessment are used to develop the audit plan. Management can also use the results of the risk assessment process to be better informed when considering approaches to manage risks and to set standards for acceptable levels of risk.

Auditable Activities

Auditable activities consist of those subjects, units, or systems which can be defined and evaluated.

Auditable activities may include:

- Policies, procedures and practices;
- Cost and profit centers;
- General ledger balances;
- Information systems;
- Major contracts and programs;
- Organizational units or product lines;
- Functions including information technology, purchasing, marketing, finance, accounting and human resources;
- Transaction systems for activities such as sales, collection, purchasing, disbursement, inventory management, cost accounting, treasury, payroll and capital assets;
- Financial statements; and
- Laws and regulations.

In total, the Airports Authority has 79 auditable activities.

Risk Factors

Relevant risk factors are considered in assigning risk levels to auditable activities. The assigned risk level reflects the importance of each auditable activity within the overall structure of the organization and the relative significance or likelihood that conditions and events may occur that could adversely affect the Airports Authority.

The risk factors include:

- Asset size and transaction volume;
- Financial and economic conditions;
- Competitive environment;
- Regulatory environment;
- Complexity or volatility of activities;
- Impact on customers and suppliers;
- Impact on reputation;
- Use of computerized information systems;
- Geographical dispersion of operations;
- Management judgments and accounting estimates;
- External pressures affecting business processes;
- Stability and competence of management;
- Impact on business continuity; and
- Date and results of previous audits.

The risk factors reflect discussions with management and information available from previous risk assessments and audits.

Risk Levels

High:



The achievement of the Airports Authority's mission and goals is highly dependent on the functioning of these activities. Numerous risk factors are present and may include:

- Revenue, assets, and liabilities that are clearly material;
- Business processes associated with auditable activity are complex and require specialized knowledge;
- Likelihood that process errors will occur is moderate to high; and
- Potential impact of the activity on business continuity is high.

Moderate:



Risk factors are present. However, the occurrence of events, conditions and process interruptions are less likely than for activities assigned a high-risk score. This category includes activities for which observations and recommendations identified in previous audits have been addressed by management.

Low:



Risk factors may exist but are less significant when considered in the context of the Authority-wide risks that highly influence the achievement of the Airports Authority's mission and goals. Management has addressed recommendations contained in previous audits.

Metropolitan Washington Airports Authority Risk Assessment for Calendar Years 2013, 2014, and 2015

Audit Categories

The Risk Assessment and Audit Plan include four audit categories: Aviation, Metrorail Project, Dulles Toll Road and Authority-wide business functions. The audit categories are briefly described in this section. Exhibit A-1 provides summary information for the audit categories, and the associated risk levels.

Authority-wide Business Functions

The audit category, **Authority-wide Business Functions**, includes all auditable activities associated with core business processes that support the Airports Authority's three business lines. It includes contracting and procurement, financial operations, and information technology. Audits of business functions consider the adequacy of internal controls associated with safeguarding assets; whether documented policies and procedures are adequate and are being followed; and whether financial and operations reports are accurate and timely; and assesses compliance with contract requirements, internal controls and compliance with laws and regulations.

The audit category, Authority-wide business functions, has 18 auditable activities.

Aviation

The audit category, **Aviation**, includes two airports with seven runways, two main terminals, several parking lots, numerous concessionaires, a hotel, commercial office space, several buildings, hangars and structures with aviation related activities. A myriad of complex business arrangements with the airlines, concessionaires and service contractors require substantial review and monitoring to ensure that finance and business strategies are achieved. The Airports Authority relies on these businesses to remit accurate revenue and expense data when due and to produce timely and accurate information about earnings and other contractual matters. Periodic assessments of the quality and reliability of internal controls, contract compliance and financial reporting capabilities of these businesses are essential for effective Board and management oversight.

The Aviation audit category also includes a Capital Construction Program that provides planning, design and construction of new facilities and improvements of existing facilities and roads at both airports. The program is funded from bond proceeds, passenger facility charges and grants. Completing construction projects on time and on budget is dependent on several factors including, but not limited to, the economy, financial soundness of the airlines using Dulles and National Airports, environmental site conditions, and the ability of management to coordinate interrelated contracts for design and construction as well as the availability of specialty contractors, supplies and equipment.

The Aviation audit category has 32 auditable activities.

Dulles Toll Road

The **Dulles Toll Road** is approximately 14 miles long and has 8 lanes. The road was built in 1984 by the Virginia Department of Transportation. It begins just inside the Capital Beltway near Falls Church and the connector for Interstate 66, travels westward through Fairfax County past Dulles Airport, and terminates at the entrance to the Dulles Greenway, a privately-owned toll road. Tolls are collected at the main toll plaza and toll booths located at entrance ramps and exits. All toll booths are equipped to use the E-ZPass electronic toll collection system.

On November 1, 2008, Virginia Department of Transportation transferred responsibility for the operation and maintenance of the Dulles Toll Road to the Airports Authority for an initial term of 50 years. As part of the agreement, the Airports Authority committed to construct the Metrorail to Dulles and beyond and to make other improvements in the Dulles Corridor. On October 1, 2009, the Airports Authority took full control of the day-to-day operation of the Dulles Toll Road and hired many of the former Virginia Department of Transportation employees to serve in similar or slightly modified positions as Airports Authority personnel.

The Dulles Toll Road and the Metrorail Project are included in the Dulles Corridor Enterprise Fund. This fund is self-supporting using the collected tolls to support the road's general operations, finance the road's ongoing capital program, and finance the construction of the Metrorail.

The Dulles Toll Road Department must promptly collect and accurately report on all revenue received, or due and not collected. It also must have sufficiently robust internal controls over revenue collection and revenue reporting. Cash funds are collected at the toll booths and a vendor is responsible for collecting and recording E-ZPass revenue. As noted earlier, the revenue supports the road's general operations and the financing of the Metrorail. Periodic assessments of the quality and reliability of internal controls over revenue, equipment operators, the toll collection system and contract compliance and monitoring for vendors, are essential for effective Board and management oversight.

The Dulles Toll Road audit category has 14 auditable activities.

Metrorail Project

The **Metrorail Project** is a 23-mile extension of the existing Metrorail system. The Airports Authority will construct the extension and the Washington Metropolitan Area Transit Authority will operate the added service to Dulles and beyond. The extension will provide high-quality, high-capacity transit service in the Dulles Corridor. New Metrorail service in the corridor will result in travel time savings between the corridor and downtown Washington, D.C., expand the reach of the existing regional Metrorail system, offer a viable alternative to automobile travel, and support future transit-oriented development along the corridor.

The extension will serve Tysons Corner, Virginia's largest employment center and the Reston-Herndon area and provide a one-seat ride from Dulles Airport to downtown Washington, D.C. The project will provide 11 new stations. It will be built in two phases. Phase 1 will run from east Falls Church to Wiehle Avenue on the eastern edge of Reston. It will include four stations in Tysons Corner and will be completed in 2013. Phase 2 will run from Wiehle Avenue to Ashburn in eastern Loudoun County. A construction date has not been set for Phase 2.

As discussed earlier, construction project risks are generally perceived as events that influence project objectives related to cost, time and quality. Risks also are associated with regulatory, and environmental funding matters and with requirements imposed by project funding sources. The availability of detailed and accurate records to support project decisions and to show that changes in contract language and schedules have been appropriately considered are important elements for managing risks in construction projects.

The Dulles Metrorail Project has 15 auditable activities.

Exhibit A-1**Metropolitan Washington Airports Authority
Summary of the Risk Levels for Audit Categories
Calendar Year 2013**

Audit Categories	Auditable Activities			
	High	Moderate	Low	Total
Aviation	19	10	3	32
Metrorail Project	6	8	1	15
Dulles Toll Road	9	4		13
Authority-wide Business Functions	9	9	1	19
Total	43	31	5	79

Metropolitan Washington Airports Authority Risk Assessment for Calendar Years 2013, 2014, and 2015

The Office of Audit uses the risk assessment to identify, measure, and prioritize risks so that internal audit resources are directed to the areas of greatest significance. The risk assessment is also used within individual audits to identify areas within the audit scope that are most important. This section presents a summary of the Airports Authority's 79 auditable activities and the level of risk assigned to each activity. It also presents the Audit Plan for 2013 and a forecast for 2014, and 2015. A summary schedule displaying the year of the last audit for each activity also is presented in this section.

Metropolitan Washington Airports Authority
Authority-wide Audit Plan
For Calendar Years 2013, 2014, and 2015

Auditable Activities	Risk Level	2013	2014	2015
Accounts Payable	Moderate	200		
Accounts Receivable	Moderate			
Business Continuity	High			
Contract Management	High	500		400
Cost Allocation Plan	High		300	300
Employee Expense Reimbursements	Moderate	200		300
Equal Opportunity Programs	High		300	300
Excess Property	Moderate			300
Fixed Assets	High			300
Human Resources	High	300		
Information Services	High		200	400
Information Systems Security	High		500	
Investments	Moderate			300
Payroll	Moderate		300	
Procurement Cards	High			300
Retirement Plans	Low	460	460	460
Travel Reimbursements	Moderate	200	300	
Unclaimed Property	High		300	
Audit Follow-up	High	1500	400	400
Total Audit Hours		3360	3060	3760

Metropolitan Washington Airports Authority
Aviation Audit Plan
For Calendar Years 2013, 2014, and 2015

Auditable Activities	Risk Level	2013	2014	2015
Airline Revenues	Moderate			
Agent Cashier - Dulles	Low		300	
Agent Cashier - National	Low		300	
Construction - Compliance	High	600	600	600
Construction - Program Support Services Contractor Consultants	High	600	300	800
Indirect Cost	High	800	800	800
Display Advertising - Dulles	Moderate	300		
Display Advertising - National	Moderate			
Duty Free - Dulles	High	300		
Fixed Based Operator - Dulles	High	400	400	
Fixed Based Operator - National	Low			
Food and Beverage - Dulles	High	300		300
Food and Beverage - National	High	300		300
Hotel - Dulles	Moderate			200
In-Flight Catering - Dulles	High			300
In-Flight Catering - National	High			300
JP Morgan Building - Dulles	Moderate			300
Lost and Found	Moderate		200	
Subtotal		3600	2900	3900

Metropolitan Washington Airports Authority
Aviation Audit Plan
For Calendar Years 2013, 2014, and 2015

Auditable Activities	Risk Level	2013	2014	2015
Materials Management - Dulles	Moderate		300	300
Materials Management - National	Moderate	300		300
Parking - Dulles	High	700	700	700
Parking - National	High	600	500	400
Parking Shuttle Buses - National	High	500		
Parking Shuttle Buses - Dulles	High	500		
Pass & ID - Dulles	High		400	
Pass & ID - National	High		400	
Rental Cars - Dulles	High	300	500	400
Rental Cars - National	High	300	500	400
Service Contracts - Dulles	Moderate		500	300
Service Contracts - National	High		500	300
Taxicab Services - Dulles	High	200	400	400
Taxicab Services - National	Moderate	200	300	
Subtotal		3600	5000	3500
Total Aviation Audit Hours		7200	7900	7400

**Metropolitan Washington Airports Authority
Dulles Toll Road Audit Plan
For Calendar Years 2013, 2014, and 2015**

Auditable Activities	Risk Level	2013	2014	2015
Cash	High		300	
Change Fund	Moderate			300
Dulles Greenway	Moderate	300		
Equipment Maintenance	High			
Exception Transactions	High			300
E-ZPass Transactions	High		300	
Revenue Reporting	Moderate			300
Information Systems Support	High			400
Toll Booth Staffing Contract	High	400		
Toll Plaza Cash Collection Equipment	High	300		
Toll Transaction Data Reports	High	400		
Toll Violations	High		300	
Customer Service Contracts	Moderate		300	
Total Audit Hours		1400	1200	1300

**Metropolitan Washington Airports Authority
Metrorail Project Audit Plan
For Calendar Years 2013, 2014, and 2015**

Auditable Activities	Risk Level	2013	2014	2015
Cash Draws	Low			
Construction Site Inspections	Moderate			
Contract Allowance Adjustments	Moderate			
Contract Change Orders	High	300		
Davis-Bacon Wage Requirements	High			
DBE Subcontracting Goals	Moderate		200	
Design-Build Contract Invoices and Payments	Moderate		400	
Earned Value Analysis	High			
Federal Funding Requirements	Moderate	400		
Program Management Support Services Contractor and Indirect Cost Reviews	Moderate	400		
Project Contingency Fund	High			
Project Funding and Cash Flow Projections	High			
Property Acquisition Schedules and Permits	Moderate			
Safety and Security Specifications	High			
Utility Relocation and Property Acquisition Payments	Moderate			
Total Audit Hours		1100	600	0

Metropolitan Washington Airports Authority
Risk Levels and Last Year Audited for Authority-wide Activities

Auditable Activities	Risk Level	Last Year Audited
Accounts Payable	Moderate	2012
Accounts Receivable	Moderate	2011
Business Continuity	High	2012
Contract Management	High	2012
Cost Allocation Plan	High	2010
Employee Expense Reimbursements	Moderate	2009
Equal Opportunity Programs	High	2008
Excess Property	Moderate	2006
Fixed Assets	High	2012
Human Resources	Moderate	2001
Information Services	High	2012
Information Systems Security	High	2012
Investments	Moderate	2008
Payroll	Moderate	2007
Procurement Cards	High	2012
Retirement Plans	Low	2012
Travel Reimbursements	Moderate	2012
Unclaimed Property	High	2006
Follow-up Audit	High	2012

Metropolitan Washington Airports Authority
Risk Levels and Last Year Audited for Aviation Activities

Auditable Activities	Risk Level	Last Year Audited
Airline Revenue - Dulles	Low	2011
Airline Revenue - National	Low	2011
Concessions - National	Moderate	2012
Concessions - Dulles	Moderate	2012
Display Advertising - Dulles	Moderate	2008
Display Advertising - National	Moderate	2008
Duty Free - Dulles	High	2008
Fixed Base Operator - Dulles	Moderate	2011
Fixed Base Operator - National*	Low	2000*
Food, Beverage, Retail - Dulles	Moderate	2012
Food, Beverage, Retail - National	High	2011
Hotel - Dulles	Moderate	2011
In-Flight Catering - National	Low	2012
In-Flight Catering - Dulles	Low	2012
Parking - Dulles	High	2012
Parking - National	High	2012
Rental Cars - Dulles	High	2011
Rental Cars - National	High	2011
Retail - Dulles	Moderate	2010
Retail - National	Moderate	2008
SuperShuttle - Dulles	Moderate	2009
Service Contracts - National	High	2012
Service Contracts - Dulles	High	2010
Taxicab Service - Dulles	High	2012
Taxicab Dispatch - National	High	2006
Telephone Fees	Moderate	1999
Utilities	High	2006
JP Morgan Building - Dulles	Moderate	2010

Metropolitan Washington Airports Authority
Risk Levels and Last Year Audited for Dulles Toll Road Activities

Auditable Activities	Risk Level	Last Year Audited
Cash	High	2010
Change Fund	Moderate	2010
Dulles Greenway	Moderate	2010
Equipment Maintenance	High	
Exception Transactions Parking	High	2012
E-ZPass Transactions	High	2012
Non-Revenue Toll Transactions	Moderate	2011
Revenue Reporting	Moderate	2012
Information Systems Support	High	2012
Toll Booth Staffing Contract	High	
Toll Plaza Cash Collection Equipment	High	2011
Toll Transaction Data Reports	High	2010
Toll Violations	High	2012
Customer Service Contracts	Moderate	

**Metropolitan Washington Airports Authority
Risk Levels and Last Year Audited for Dulles Metrorail Project**

Auditable Activities	Risk Level	Last Year Audited
Cash Draws	Low	2011
Construction Site Inspections	Moderate	2012
Contract Allowance Adjustments	Moderate	2011
Contract Change Orders	High	2011
Davis-Bacon Wage Requirements	High	2010
DBE Subcontracting Goals	Moderate	2012
Design-Build Contract Invoices and Payments	Moderate	2012
Earned Value Analysis	High	
Federal Funding Requirements	Moderate	2011
Program Management Support Services Contract	Moderate	2011
Project Contingency Fund	Moderate	2012
Project Funding and Cash Flow Projections	Moderate	2010
Property Acquisition Schedules and Permits	Moderate	2011
Safety and Security Specifications	High	2012
Utility Relocation and Property Acquisition Payments	Moderate	2011