

SUMMARY MINUTES
AUDIT – LEGAL COMMITTEE
MEETING OF NOVEMBER 13, 2013

Ms. Hall chaired the November 13 Audit – Legal Committee Meeting, calling it to order at 12:00 p.m. A quorum was present: Mr. Conner, Mr. McDermott, Ms. Merrick, Mr. Session and Mr. Curto, *ex officio*. Mr. Carter, Mr. Chapman, Mr. Griffin and Ms. Lang were also present.

2014 Risk Assessment and Audit Plan. Valerie Holt, Vice President for Audit, presented the annual guidance update on internal and external challenges and associated risks and supports prioritizing the audit activities that require focus over the next calendar year. The report covers assessments for strategic, operational and business risks as well as compliance and financial reporting risks for Aviation, Metrorail Project, Dulles Toll Road, and authority-wide business functions.

Audit Follow-Up Summary. Ms. Holt reported on the annual follow-up audit to assess actions taken to address observations and recommendations discussed in prior year reports. She stated that 34 of 42 reports reviewed for the 2013 audit follow-up had been closed. Additionally, 155 of the 170 recommendations had also been closed, representing a closure rate of 91 percent.

Overhead Rate Reports. Ms. Holt presented overhead rate submissions for two subcontractors for the Aviation Enterprise. She reported that this is a continuous process of ensuring compliance with contract provisions and the Federal Acquisition Regulation Part 31.

Ms. Hall advised Directors to review the 2014 Risk Assessment and Audit Plan for an in-depth overview of the work that is performed by the Office of Audit to keep the Authority on track.

Ms. Merrick asked for clarity in the vetting process for approving audit reports. Ms. Holt stated that historically the Committee had provided feedback or concerns about information that may or may not be included in the audit reports.

PricewaterhouseCoopers Audit Planning and Discussion. In executive session, the Committee met to receive information on the audit engagement for the year ending December 31, 2013 and to discuss the Authority's business issues and expectations of PricewaterhouseCoopers.

The meeting was thereupon adjourned at 12:26 p.m.