

MINUTES  
MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
AUDIT OVERSIGHT COMMITTEE

July 13, 2023

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. The full comment can be heard by reviewing the recording at the [MTS website](#).]

**1. Roll Call**

Chair Whitburn called the Audit Oversight Committee meeting to order at 9:03 a.m. A roll call sheet listing Audit Oversight Committee member attendance is attached.

**2. Public Comment**

There were no Public Comments.

**3. Approval of Minutes**

Board Member Hall moved to approve the minutes of the November 3, 2022, MTS Audit Oversight Committee meeting. Vice Chair Goble seconded the motion, and the vote was 4 to 0 in favor with Board Member Vargas, Board Member Moreno and Board Member Bush absent.

**DISCUSSION ITEMS**

**4. Internal Audit Activity Update Report (Toufic Tabshouri)**

Toufic Tabshouri, MTS Internal Auditor, presented an update on recent internal audit activities. He provided details on: completed calendar year 2022 audits, calendar year 2023 audits, and the fraud, waste and abuse hotline.

**Committee Comment**

Board Member Hall asked about the implementation delay in various PRONTO system features. He asked Mr. Tabshouri's opinion about the project delay. He replied that the system is still newly implemented and that it is unlikely that he will audit the system. Board Member Hall hoped that the agency would see a return in the money invested for the system. Mr. Tabshouri assured the Board that he would audit a variety of Information Technology projects, but may not necessarily audit the PRONTO system just yet. Sharon Cooney, MTS Chief Executive Officer, assured Board Member Hall that it was always the agency's intent to include additional functionalities into the system. She noted the technological advances caused by the COVID-19 pandemic and that the additional features will be introduced into the system as a Phase 2 to the project. She assured the Board that the functionalities would be added, but not necessarily during the initial phase of the system.

**Action Taken**

Informational item only. No action taken.

**5. The Pun Group Engagement Letter for The Fiscal Year (FY) 2023 Audit (Erin Dunn)**

Erin Dunn, MTS Controller, presented on The Pun Group's engagement letter for the FY 2023 audit. She presented on: scope of work, management's responsibilities, auditors' responsibilities, approach to the audit, interim audit procedures, interim audit results, and implementation of a significant new GASB standard.

**Action Taken**

Informational item only. No action taken.

**6. Interim Audit (Erin Dunn with Ken Pun and Coley Delaney of The Pun Group)**

Erin Dunn, MTS Controller, along with Ken Pun and Coley Delaney of The Pun Group presented on the interim audit. They outlined: interim audit procedures, interim audit results and the implementation of a significant new GASB standard.

**Committee Comment**

Board Member Hall asked about the vendor's employee addresses and the findings. Mr. Delaney replied that this meant the audit of expense reimbursements. Board Member Hall asked if the auditors cross referenced corporate officers with names. Mr. Delaney noted that they typically match only addresses. Mr. Pun noted that they can identify any related party transaction as part of a test to cross reference an employee's business with a similar address to assess commonalities and assure that the expense is just a reimbursement. Board Member Hall asked if the auditors were able to identify any violations. Mr. Pun replied that they could not find any.

**Action Taken**

Informational item only. No action taken.

**OTHER ITEMS**

**7. Committee Member Communications and Other Business**

There was no Committee Member Communications and Other Business discussion.

**8. Next Meeting Date**

The next Audit Oversight Committee meeting is to be determined.

**9. Adjournment**

The meeting was adjourned at 9:30 a.m.

/S/ Stephen Whitburn

Chairperson

San Diego Metropolitan Transit System

/S/ Dalia Gonzalez

Clerk of the Board

San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
AUDIT OVERSIGHT COMMITTEE

ROLL CALL

MEETING OF (DATE): July 13, 2023 CALL TO ORDER (TIME): 9:03 a.m.  
 RECESS: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 CLOSED SESSION: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 PUBLIC HEARING: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 ORDINANCES ADOPTED: \_\_\_\_\_ ADJOURN: 9:30 a.m.

REPRESENTING	BOARD MEMBER	ALTERNATE	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
Chair	Whitburn <input checked="" type="checkbox"/>	No Alternate <input type="checkbox"/>	9:03 a.m.	9:30 a.m.
City of San Diego	Elo-Rivera <input checked="" type="checkbox"/>	Montgomery Steppe <input type="checkbox"/>	9:03 a.m.	9:30 a.m.
County of San Diego	Vacant <input type="checkbox"/>	Vargas <input type="checkbox"/>	ABSENT	ABSENT
East County	Hall <input checked="" type="checkbox"/>	Frank <input type="checkbox"/>	9:03 a.m.	9:30 a.m.
SANDAG Transportation Committee	Moreno <input type="checkbox"/>	Bush <input type="checkbox"/>	ABSENT	ABSENT
South Bay	Bush <input type="checkbox"/>	Leyba- Gonzalez <input type="checkbox"/>	ABSENT	ABSENT
Vice Chair	Goble <input checked="" type="checkbox"/>	No Alternate <input type="checkbox"/>	9:03 a.m.	9:30 a.m.

SIGNED BY THE CLERK OF THE BOARD: /S/ Dalia Gonzalez