BOARD OF DIRECTORS

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

AUDIT COMMITTEE

THURSDAY, AUGUST 21, 2025

ATLANTA, GEORGIA

MEETING SUMMARY

1. CALL TO ORDER AND ROLL CALL

Chair Freda Hardage called the meeting to order at 10:03 A.M.

Board Members Present:	Roderick Frierson Freda Hardage Shayna Pollock Rita Scott Elizabeth Bolton Sagirah Jones
Board Members Absent:	James Durrett Jennifer Ide Jacob Tzegaegbe Russell McMurrry Al Pond Valencia Williamson Jannine Miller Kathryn Powers
Staff Members Present:	Carrie Rocha Duane Pritchett Steven Parker LaShanda Dawkins George Wright Kevin Hurley Paulo Lopes Ralph McKinney

Also in Attendance: Peter Crofton, Emil Tzanov, Paula Nash, Jacqueline Holland Tyrene Huff, Kenya Hammond

2. APPROVAL OF THE MINUTES

Minutes from May 15, 2025
Approval of the minutes from the May 15, 2025, Audit Committee Meeting. On a motion by Board Member Bolton-Harris, seconded by Board Member Hardage, the motion passed by a vote of 4 to 0 with 4 members present.

3. BRIEFING

Internal Audit Q3 / FY25 Activity
Email Tzanov presented the results of the internal audit for the period from April 1 to June 30, 2025.

4. OTHER MATTERS
None

5. ADJOURNMENT
The Audit Committee meeting adjourned at 10:24 A.M.

YouTube link: https://www.youtube.com/live/8a3liGIjifA?si=2cBMymIDe3uD5eiZ

Internal Audit Activity Briefing

Q4 / FY25 ~ April 1 – June 30, 2025

Operational Group Audits

Q4 / FY25 A

Audit Title	Audit Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
New Rail Car Delivery Readiness	TBD	TBD	Planning	-	-	-	-	-	-	-	-
2026 World Cup Preparedness	TBD	TBD	Planning	-	-	-	-	-	-	-	-
Oracle Primavera P6 and Unifier	TBD	TBD	Planning	-	-	-	-	-	-	-	-
Capital Program Follow up	TBD	TBD	Fieldwork	-	-	-	-	-	-	-	-

Operational Group Audits

Q4 / FY25 B

Audit Title	Audit Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
Summerhill BRT	6/25/25	High Risk	Completed	3	-	3	-	1	-	1	-
		-Project Management Plan was not updated. (10/31/2025) -Ineffective mitigation actions. (10/31/2025) -Concealed conditions not processed in compliance with Resident Engineer Manual or contract (11/28/2025)									
Rail Stations Management	6/30/25	High Risk	Completed	2	-	2	-	2	-	2	-
		-Station-Specific Emergency Procedures should be enhanced and tested (11/30/2025) -Station Monitoring, Reporting, and Communication are manual and fragmented. (9/30/2025)									
Total Significant & Moderate Findings:				**5**	**-**	**5**	**-**	**3**	**-**	**3**	**-**

Prior Operational Audits with Open Findings

Audit Title	Audit Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
Indian Creek Station	2/13/25	High Risk	Completed	3	3	-	-	2	-	2	-
		-Lack of documented Project Management Plan. (6/30/2025) -Incomplete risk documentation and the absence Risk Management Plan. (6/30/2025)									
Clayton Co Ops & Maintenance Facility	12/20/24	High Risk	Reporting	4	-	4	-	3	-	3	-
		- Project Management Plan and FTA Quarterly Milestone Progress Reporting were not up to date. (9/30/2025) - Lack of Project Management Monitoring and Oversight. (9/30/2025) - Inefficient use of project schedule control tool. (9/30/2025) - Inefficient use of Document and Record project control tools. (9/30/2025)									
Employee Timekeeping	10/16/24	Needs Attention	Completed	1	-	1	-	1	-	1	-
		- Excessive manual processes / Teledriver replacement (7/15/2025)									
Review of Transit Oriented Development	5/15/23	Needs Attention	Completed	3	3	-	-	1	1	-	-
		- The Office of Real Estate does not have an asset management System (7/31/2025)									
Capital Projects – Soft Cost	9/30/22	Needs Attention	Completed	-	-	-	-	2	2	-	-
Total Significant & Moderate Findings:				**11**	**6**	**5**	**-**	**9**	**3**	**6**	**-**

IT Group Audits

Q4 / FY25

Audit Title	Audit Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
OT* Access Management	6/30/25	High Risk	Complete	3	-	3	-	2	-	2	-
End User Security	TBD	TBD	Fieldwork	-	-	-	-	-	-	-	-
Total Significant & Moderate Findings:				**3**	**-**	**3**	**-**	**2**	**-**	**2**	**-**

**OT – Operational Technology -refers to the hardware and software systems that monitor and control physical devices, processes, and events in industrial settings*

Prior IT Audits with Open Findings

Audit Title	Report Issue Date	Audit Engagement Rating	Audit Project Status	Significant Findings				Moderate Findings			
				Total	Closed	In Process	Past Due	Total	Closed	In Process	Past Due
Software Maintenance	12/18/24	High Risk	Completed	3	1	1	1	-	-	-	-
Windows 10 Enterprise End Of Life Plan Review	10/21/24	High Risk	Completed	1	-	1	-	-	-	-	-
Elements of IT Operations	04/12/24	High Risk	Completed	5	1	-	4	2	1	-	1
IT Hardware Asset Management Audit	9/29/23	High Risk	Completed	1	-	-	1	4	3	-	1
Total Significant & Moderate Findings:				**10**	**2**	**2**	**6**	**6**	**4**	**-**	**2**

Contract Group Audits

Q4 / FY25

Contract Audits Completed	
Audit Ratings	**No. of Audits Issued**
Low Risk	36
Needs Attention	0
High Risk	0
Total Audits Issued	**36**

Contract Audits In Progress	
Audit Types	
Interim / Close Out	0
Rate Reviews	19
Forward Pricing	0
Buy America / Special Request	0
Cost / Price Analysis	3
Change Orders	1
Total Contract Audits in Progress	**23**

- ✓ Identified Unallowable Cost in Overhead Rate Reviews as per Federal Acquisition Regulation (FAR) $19,106
- ✓ Identified Unsupported Costs in Cost/Price and Change Order Reviews $ 0

Fraud, Waste & Abuse Summary

- 25-19-I-13 - Allegation of bid influence to favor a specific bidder – Not substantiated; other irregularities found
- 25-21-I-15 - Suspicion of a MARTA Employee's Involvement in skimming Breeze Card Passes – Not substantiated
- 25-22-I-16 - Allegation of potential financial misconduct with a vendor – Not substantiated
- 26-01-I-1 - Allegation of Unethical or Fraudulent Behavior of a Superintendent of Workforce Management - Ongoing

FY25 Internal Audit Summary

Audit Branch / Type	Total
Contract Audits	**107**
Identified Unallowable Costs in Overhead Rates (as per Federal Acquisition Regulations)	**$89K**
Identified Unsupported Cost in Cost / Price and Change Order Reviews	**$4.1M**
Operational Audit Engagements	**8**
IT Audit Engagements	**3**
Investigations	**8**


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