



**Agenda**  
**Capital Metropolitan**  
**Transportation Authority**  
**Finance, Audit and Administration**  
**Committee**

2910 East 5th Street  
Austin, TX 78702

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<b>Wednesday, November 10, 2021</b>	<b>9:00 AM</b>	<b>2910 East 5th Street, Austin, TX</b>
		<b>78702</b>

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Items marked with an \* have been revised.

**I. Call to Order**

**II. Public Comment**

**III. Action Items**

1. Approval of minutes from the October 13, 2021 Finance, Audit and Administration Committee meeting.
- \*2. Approval of a resolution authorizing the President & CEO, or his designee, to modify the KPMG, LLC contract # 200611 for Enterprise Resource Planning (ERP) Consulting services, increasing the original Board authorized amount by \$259,085, plus a contingency amount of \$250,000, for the addition of a Business Analyst to lead systems integrations with the Oracle Enterprise Resource Planning (ERP) system for a new not-to-exceed amount of \$3,040,376.
3. Approval of a resolution approving of the Fiscal Year 2021 performance review of the Vice President of Internal Audit.

**IV. Presentations**

1. Internal Audit FY2022 Audit Plan Status

**V. Executive Session**

Section 551.074 for Personnel Matters - Performance Review for Vice President, Internal Audit

**VI. Items for Future Discussion**

**VII. Adjournment**

**ADA Compliance**

*Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email [ed.easton@capmetro.org](mailto:ed.easton@capmetro.org) if you need more information.*

*Committee Members: Terry Mitchell, Chair; Wade Cooper, Leslie Pool and Becki Ross.*

*The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.*



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee

**Item #:** AI-2021-248

**Agenda Date:** 11/10/2021

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Approval of minutes from the October 13, 2021 Finance, Audit and Administration Committee meeting.



**Minutes**  
**Capital Metropolitan**  
**Transportation Authority**  
**Finance, Audit and Administration**  
**Committee**

2910 East 5th Street  
Austin, TX 78702

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**Wednesday, October 13, 2021**

**10:00 AM**

**2910 East 5th Street, Austin, TX 78702**

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10:09 a.m. Meeting Called to Order

<b>Present</b>	Terry Mitchell, Wade Cooper, Leslie Pool, and Becki Ross
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**I. Public Comment**

Jennifer Song provided public comment.

**II. Action Items**

1. Approval of minutes from the September 15, 2021 Finance, Audit and Administration Committee meeting.

A motion was made by Cooper, seconded by Pool, that this Minutes be adopted. The motion carried by the following vote:

**Aye:** Mitchell, Cooper, Pool, and Ross

2. Approval by the Board of Directors of Capital Metro's investment policy and revision of the investment committee composition.

A motion was made by Pool, seconded by Cooper, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 10/25/2021. The motion carried by the following vote:

**Aye:** Mitchell, Cooper, Pool, and Ross

3. Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute contracts with Bickerstaff Heath Delgado Acosta LLP; Clark Hill PLC; Enoch Kever PLLC; Greenberg Traurig LLP; Hawkins Delafield & Wood LLP; Husch Blackwell LLP; Jackson Lewis P.C.; K&L Gates LLP; Kaplan Kirsch & Rockwell LLP; Kowert, Hood, Munyon, Rankin & Goetzel, P.C.; Orrick, Herrington & Sutcliffe, LLP; Ross Molina Oliveros, PC; Thompson Coburn LLP; and Winstead PC for outside legal counsel services in the aggregate amount not to exceed \$3,600,000 for a three (3) year base term with three (3) one-year renewal options.

A motion was made by Pool, seconded by Ross, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 10/25/2021. The motion carried by the following vote:

**Aye:** Mitchell, Cooper, Pool, and Ross

4. Approval of a resolution adopting the FY2022 Internal Audit Services Plan.

A motion was made by Cooper, seconded by Pool, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 10/25/2021. The motion carried by the following vote:

**Aye:** Mitchell, Cooper, Pool, and Ross

5. Approval of the Capital Metro Board of Directors Public Safety Advisory Committee Charter.

A motion was made by Pool, seconded by Cooper, that this Resolution be recommended for the action item agenda to the Board of Directors, due back on 10/25/2021. The motion carried by the following vote:

**Aye:** Mitchell, Cooper, Pool, and Ross

### III. Presentations

1. Annual Capital Metro Investment Performance and Strategy Update
2. FY2021 Annual Risk Assessment
3. Internal Audit FY2021 Audit Plan Status

### IV. Items for Future Discussion

### V. Adjournment

11:37 a.m. Meeting Adjourned

### ADA Compliance

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*Committee Members: Terry Mitchell, Chair; Wade Cooper, Leslie Pool and Becki Ross.*

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# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

Finance, Audit and Administration Committee  
**Agenda Date:** 11/10/2021

**Item #:** AI-2021-237

## SUBJECT:

Approval of a resolution authorizing the President & CEO, or his designee, to modify the KPMG, LLC contract # 200611 for Enterprise Resource Planning (ERP) Consulting services, increasing the original Board authorized amount by \$259,085, plus a contingency amount of \$250,000, for the addition of a Business Analyst to lead systems integrations with the Oracle Enterprise Resource Planning (ERP) system for a new not-to-exceed amount of \$3,040,376.

## FISCAL IMPACT:

Funding for this action is available in the FY2022 Capital Budget

## STRATEGIC PLAN:

### Strategic Goal Alignment:

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> 1. Internal/External Customer Service Excellence         | <input type="checkbox"/> 2. Stakeholder Engagement |  |
| <input checked="" type="checkbox"/> 3. Financial and Environmental Sustainability | <input type="checkbox"/> 4. Staff Development      | <input type="checkbox"/> 5. Agency Growth Management |

### Strategic Objectives:

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> 1.1 Safety & Risk            | <input type="checkbox"/> 1.2 Continuous improvement           | <input type="checkbox"/> 1.3 Dynamic Change           |
| <input type="checkbox"/> 1.4 Culture of Innovation    | <input type="checkbox"/> 2.1 Be an Employer of Choice         | <input type="checkbox"/> 2.2 Organization Development |
| <input type="checkbox"/> 2.3 Organization Culture     | <input checked="" type="checkbox"/> 3.1 Resource optimization | <input type="checkbox"/> 3.2 Safety Culture           |
| <input type="checkbox"/> 3.3 Environmental Leadership | <input type="checkbox"/> 4.1 Educate & Call to Action         | <input type="checkbox"/> 4.2 Build Partnerships       |
| <input type="checkbox"/> 4.3 Value of Transit         | <input type="checkbox"/> 4.4 Project Connect                  |   |

**EXPLANATION OF STRATEGIC ALIGNMENT:** Our current financial management system is no longer actively maintained by the vendor and mainstream support for the system ended in October 2021. Capital Metro is implementing a new ERP system with Oracle facilitated by KPMG. As part of the State of Good Repair program, it is imperative to replace these mission-critical systems that are at the end of their useful life.

**BUSINESS CASE:** Capital Metro currently uses Microsoft Dynamics AX 2012 as the financial management system for the Authority, and UltiPro for human capital management and payroll. The systems are at the end of their useful life and do not satisfy current business needs for integrating mission-critical business data,

**Agenda Date:** 11/10/2021

budget management, grant management, project accounting, reporting, business intelligence, payroll, employee benefits, recruiting, onboarding and human capital management. Capital Metro is implementing a new ERP system with Oracle facilitated by KPMG. During the Design phase of the project, a need was identified for an additional lead with KPMG to facilitate the integrations with existing systems such as banking services, fare payment systems, p-card, data warehouse, asset management and other key systems.

**COMMITTEE RECOMMENDATION:** This item was presented and recommended for approval by the Finance, Audit and Administration Committee on November 10, 2021.

**EXECUTIVE SUMMARY:** Capital Metro is implementing a new ERP system to replace the out-of-lifecycle financial management, human capital management, and payroll systems. To help ensure that Capital Metro procures a best-fit system that meets the current and future business needs of the agency and to ensure that it is implemented most effectively, Capital Metro is seeking to add a business analyst from KPMG to the project who will lead the systems integrations with the new ERP system.

**DBE/SBE PARTICIPATION:** No SBE goal is assigned to this contract due to limited subcontracting availability.

**PROCUREMENT:** On July 20, 2020, following authorization by the Capital Metro Board of Directors, KPMG, LLP was awarded contract #200611 for Enterprise Resource Planning (ERP) Consulting services for a total not to exceed amount of \$2,381,291. Modifications to the contract within the Procurement Policy of up to \$150,000 above the board award have been made to cover additional technical resources above the original projected contract amount. This proposed modification will increase the total not-to-exceed amount by an additional \$259,085, plus a contingency amount of \$250,000, bringing the not-to-exceed amount to \$3,040,376.

Description	Amount
Base Term	\$1,049,611
Option Periods 2 and 3	\$1,331,680
Modifications through October 1, 2021	\$150,000
<b>Subtotal: July 2020 Board Award</b>	<b>\$2,531,291</b>
Proposed Modification	\$259,085
Contingency Amount	\$250,000
<b>Final Not-to-Exceed Amount: November 2021</b>	<b>\$3,040,376</b>

**RESPONSIBLE DEPARTMENT:** Information Technology

**RESOLUTION  
OF THE  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
BOARD OF DIRECTORS**

**STATE OF TEXAS  
COUNTY OF TRAVIS**

**AI-2021-237**

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management recognize the need to procure and implement a best-fit Enterprise Resource Planning (ERP) system that will provide improved functionality to meet current and future business growth with the required staffing to support a successful and seamless transition; and

WHEREAS, a system has been selected that will meet the current and future needs in this area; and

WHEREAS, the requirement for a business analyst to facilitate systems integrations of the new system has been identified as a component that will contribute to the success of implementation of the new system.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or his designee, is authorized to modify the KPMG, LLC contract # 200611 for Enterprise Resource Planning (ERP) Consulting services, increasing the original Board authorized amount by \$259,085, plus a contingency amount of \$250,000, for the addition of a Business Analyst to lead systems integrations with the Oracle Enterprise Resource Planning (ERP) system for a new not-to-exceed amount of \$3,040,376.

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Secretary of the Board  
Eric Stratton**





# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

Finance, Audit and Administration Committee  
**Agenda Date:** 11/10/2021

**Item #:** AI-2021-251

**SUBJECT:**

Approval of a resolution approving of the Fiscal Year 2021 performance review of the Vice President of Internal Audit.

**FISCAL IMPACT:**

Funding for this action is available in the FY2022 Operating Budget

**STRATEGIC PLAN:**

**Strategic Goal Alignment:**

- ☐ 1. Internal/External Customer Service Excellence    ☒ 2. Stakeholder Engagement  
☐ 3. Financial and Environmental Sustainability    ☐ 4. Staff Development    ☐ 5. Agency Growth Management

**Strategic Objectives:**

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> 1.1 Safety & Risk            | <input type="checkbox"/> 1.2 Continuous improvement              | <input type="checkbox"/> 1.3 Dynamic Change                      |
| <input type="checkbox"/> 1.4 Culture of Innovation    | <input checked="" type="checkbox"/> 2.1 Be an Employer of Choice | <input checked="" type="checkbox"/> 2.2 Organization Development |
| <input type="checkbox"/> 2.3 Organization Culture     | <input type="checkbox"/> 3.1 Resource optimization               | <input type="checkbox"/> 3.2 Safety Culture                      |
| <input type="checkbox"/> 3.3 Environmental Leadership | <input type="checkbox"/> 4.1 Educate & Call to Action            | <input type="checkbox"/> 4.2 Build Partnerships                  |
| <input type="checkbox"/> 4.3 Value of Transit         | <input type="checkbox"/> 4.4 Project Connect                     |  |

**EXPLANATION OF STRATEGIC ALIGNMENT:** As a leader in the organization, the performance review is used for improving the organizational development of the Internal Audit department and the Vice President.

**BUSINESS CASE:** Completion of performance reviews at least annually is important in order to provide feedback on completion of annual goals, input for improvement opportunities, and to support merit pay adjustments.

**COMMITTEE RECOMMENDATION:** This item will be presented to the Finance, Audit and Administration Committee on November 10, 2021.

**EXECUTIVE SUMMARY:** By statute, Capital Metro's Vice President of Internal Audit reports directly to the Board

of Directors. The Board has delegated development of the performance plan and the performance review process for the Vice President of Internal Audit to the Finance, Audit, and Administration Committee.

The Committee's review of the performance of the Vice President of Internal Audit for Fiscal Year 2021 has resulted in a performance rating of \_\_\_\_\_.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: People and Culture

**RESOLUTION  
OF THE  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
BOARD OF DIRECTORS**

**STATE OF TEXAS  
COUNTY OF TRAVIS**

**AI-2021-251**

WHEREAS, the Vice President of Internal Audit reports to the Board of Directors; and

WHEREAS, the annual review of the Vice President of Internal Audit's performance has been delegated by the Board to the Finance, Audit, and Administration Committee.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Year 2021 performance review of the Vice President of Internal Audit, has resulted in a performance rating of \_\_\_\_\_.

\_\_\_\_\_  
**Secretary of the Board  
Eric Stratton**

**Date:** \_\_\_\_\_



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee

**Item #:** AI-2021-216

**Agenda Date:** 11/10/2021

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Internal Audit FY2022 Audit Plan Status

## FY22 INTERNAL AUDIT PLAN

### Department Scorecard

	Projects	Status & % Complete	Additional Details
	<b>FAA COMMITTEE &amp; INTERNAL AUDIT CHARTER COMPLIANCE</b>		
1	Finance, Audit & Administration (FAA) Committee Meetings: 10/13; 11/10;	In-Process	
2	Semi-annual Implementation Status Report - November 2021	In-Process	January
3	Semi-annual Implementation Status Report - May 2022		
4	FY2022 Risk Assessment & development of FY23 Audit Plan		
	<b>FY22 Audit Assurance &amp; Advisory Projects</b>		
1	GRC (ITS2403) & Contract Performance Management System Advisory (ITS2205)	In-Process	
2	Transit Store with Ticket Focus (Hardcopy and e-tickets)	In-Process	December
3	Saltillo Development with Focus on Lease Revenues	In-Process	
4	Business Continuity (COOP Plan, Advisory)	In-Process	UT Interns-Fall 2021
5	NIST Cybersecurity Framework (Facilitated Self Assessment)	In-Process but Postponed	Postponed due to BCG Review
6	FTA Triennial Review		
7	QAR (Quality Assurance Review) of Internal Audit practices - Started Self-Assessment. The external assessments have been postponed by GAO/ALGA due to COVID-19.		
8	Annual Cybersecurity Review (Vulnerability Assessment & Penetration Test)		
9	ERP (Oracle) Implementation Advisory	In-Process	
10	P-Cards & IT Procurement		
11	Public Transportation Agency Safety Plan (PTASP)		
12	Benchmarking Policies & Procedures (Structure, Content, Governance & Training)		
	<b>CONTINGENT AUDIT PROJECTS - FY22</b>		
1	Infor System - post go live review		
2	Salary Adjustment & Merit Process		
3	Facilities Maintenance - Contract Monitoring & Compliance		
4	Paratransit & Demand Response Operations		
5	United Healthcare & Other Self-Insured Benefits (TPA Payments)		
6	Bytemark - Account-Based System		
7	Microsoft Sharepoint & Active Directory		
8	Safety Management System (SMS) - Management of Change		
9	Board Policies/Goals - Monitoring & Reporting (e.g., OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.)		

	<b>NEW PROJECTS ADDED TO FY22 AUDIT PLAN by Terry Follmer</b>		
1			
2			
3			
4			
5			