



Memorandum

DATE: July 25, 2015
TO: Finance and Audit Subcommittee
FROM: Paula Rivera, Audit Division
CC: Jeff Morales, Chief Executive Officer
Dennis Trujillo, Chief Deputy
Frank Vacca, Program Management
Scott Jarvis, Program Management
Russell Fong, Fiscal Services
Deborah Harper, Administration
Bob Magnuson, External Affairs
Thomas Fellenz, Legal
SUBJECT: Policy and Procedure Review

The Audit Division has completed its review of the Authority's policies for its major business functions, at the direction of the Finance and Audit Subcommittee of the Board and as part of the Financial Integrity State Manager Accountability Act.

In April 2011, the Authority established POLI-POL-01 Policy Regulating the Issuing of Policies, which identified parties responsible to generate, update, and maintain the Authority's policies and procedures.

We interviewed the Division Chiefs and selected Office Chiefs to determine their understanding of policies and procedures issued by each Division that were applicable to the Authority as well as internal to the Division.

The following are the results of our review:

- Policies and procedures generally exist for the Authority's major business functions, however they are not
 - always centrally located
 - always disseminated to staff
- Policy Regulating the Issuing of Policies is not comprehensive, as it does not address who shall review proposed policies prior to issuance, how often policies and procedures should be reviewed, how staff will be made aware of the issuance of any new or revised policies and procedures, and assignment of overall responsibility for policies and procedures.

We received written dispositions to the findings and proposed actions to resolve the issues identified. The Audit Division reviewed the responses and finds Authority management has addressed the issues as requested.

We will request Authority management to provide status of implementation of proposed actions by October 23, 2015.

If you have any questions or would like additional information, please contact me at (916) 403-2679 or paula.rivera@hsr.ca.gov.



Memorandum

DATE: 07/24/2015

TO: Paula Rivera, Audit Division

FROM: Deborah Harper, Chief Administrative Officer

CC: Jeff Morales, Chief Executive Officer
Dennis Trujillo, Chief Deputy
Frank Vacca, Program Management
Scott Jarvis, Program Management
Russell Fong, Fiscal Services
Bob Magnuson, External Affairs
Thomas Fellenz, Legal

SUBJECT: Policy and Procedure Review Response

The High-Speed Rail Authority (Authority) Division Chiefs have reviewed the Draft Policy and Procedures Review dated July 13, 2015 and offer the following response and proposed action to address each finding:

Finding Number 1 - Policies and procedures generally exist for the Authority's major business functions, however they are not always centrally located nor always disseminated to staff.

Response to Finding Number 1: Many Authority policies are centrally located on the Authority's shared drive; however the Authority acknowledges the need for an easily accessible, searchable, and comprehensive listing of all Authority policies in one centralized location.

The Administrative Office will centrally locate all existing policies on the authorized Authority shared drive by September 1, 2015 and will also ensure the central policy file location is disseminated to all staff.

The Administrative Division Records Manager will be the responsible party for assuring all Authority policies are compliant with state law, and applicable regulation before disseminating to staff. The recruitment effort for the Records Manager is currently underway and should be completed by August 2015.

The Authority's Administrative Division, Office of Information Technology, is currently developing the Authority's Intranet, which will provide all Authority users with a centralized electronic document repository of Authority policies that is more easily identifiable, accessible, and searchable.

Finding Number 2 - Policy Regulating the Issuing of Policies is not comprehensive, as it does not address who shall review proposed policies prior to issuance, how often policies and procedures should be reviewed, how staff will be made aware of the issuance of any new or revised policies and procedures, and assignment of overall responsibility for policies and procedures.

Response to Finding Number 2: The Policy regulating the Issuing of Policies, POLI-POL-01, will be updated by September 1, 2015 to ensure it is comprehensive.

The aforementioned Records Manager will provide leadership and management in the development and maintenance, including a centralized electronic and physical repository, for all Authority policies and procedures. The Records Manager will coordinate policy formulation and review, including evaluation of policy options with each division, and provide briefings on policy issues to Executive Staff. In addition, the Records Manager will monitor the status of Authority policies to ensure policies remain current and compliant with state law and regulation.

If you have questions, or would like additional information, please contact Deborah Harper at (916) 669-6552 or at Deborah.Harper@hsr.ca.gov.