

STRATEGIC PLAN 2026-2028

PROGRAM EVALUATION AND AUDIT



METROPOLITAN
C O U N C I L

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Highlights

Program Evaluation and Audit Strategic Plan 2026-2028

Mission

To create, protect, and sustain organizational value by providing the Council and its leadership with independent, risk-based, and objective assurance, advice, insight, and foresight. We support the Council's success by applying a standards-based, systematic, and disciplined approach to evaluating and improving governance, risk management, and control processes – enhancing decision-making, oversight, transparency, and stakeholder trust.

Vision

To be a trusted strategic partner that drives transparency, strengthens accountability, and supports effective governance, risk management, and internal control thereby helping to achieve a prosperous, equitable, and resilient region.

Values

Equity	Leadership	Accountability
Stewardship	Service	Integrity
Collaboration	Objectivity	Quality
Innovation	Transparency	Curiosity

Goals

- Deliver Value
- Align Strategically
- Operate Efficiently
- Improve Continuously
- Deepen Knowledge
- Increase Risk Awareness

Why We Did This Work

With the three-year strategic plan expiring at the end of 2025, Program Evaluation and Audit has updated its departmental mission, vision, values, goals, and objectives to better align with the Institute of Internal Auditors' new Global Internal Auditing Standards. This was a timely update that presented an opportunity for increased alignment as the Council's divisions have updated their strategic plans and completed its *Imagine 2050* planning.

How We Did This Work

The Audit team conducted brainstorming sessions to define the mission, vision, and values, ensuring alignment with organizational priorities and IIA Standards.

Goals, objectives, initiatives and indicators were refined through collaborative discussions, emphasizing measurable outcomes. Staff reviewed the departmental risk assessment and external quality assessment (EQA) to inform areas of focus.

The plan was discussed with senior management and the Audit Committee during a workshop session.

Introduction

Background

With Internal Audit's three-year strategic plan expiring at the end of 2025, Program Evaluation and Audit has updated its departmental mission, vision, values, and goals. The objective of these revisions is to create and implement a strategy to support the Council's success that conforms with the Institute of Internal Auditors' (IIA) 2024 Global Internal Audit Standards as well as the many new strategic plans that have come from the Metropolitan Council's divisions in recent years.

The IIA's new International Professional Practices Framework (IPPF) went into effect January 2025, replacing the 2017 IPPF.¹ The 2025 framework now includes global guidance, topical requirements, and new Global Internal Audit Standards (Image One).

Image One: Framework for the New Global Internal Audit Standards



In the new principles-based framework (15 principles across 5 domains), there is a shift from annual planning to multi-year strategic focus that encourages stronger alignment with organizational strategy and risk, and has greater emphasis on technology, agility, and stakeholder collaboration. Included in these updated standards is a new requirement to create and implement a strategic plan.²

Key Changes Relevant to the Strategic Plan in the New Global Internal Audit Standards:

1. Emphasis on Alignment with Organizational Strategy (Principle 3)
2. Enhanced Governance Expectations (Domain I)

¹ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards. The Institute of Internal Auditors. [Link](#)

² The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Domain 4 Principle 9: Plan Strategically. [Link](#)

3. Requirement for a Multi-Year Internal Audit Strategy (Principle 9)
4. Use of Technology and Innovation (Principle 13)
5. Resourcing and Capability Building (Principle 10)

As part of Audit's recent External Quality Assessment (EQA), and in line with the IPPF, the American Public Transportation Association (APTA) conducted a peer review and gap assessment in the fall of 2024. The assessment team found that the Council's internal audit function generally conforms to IIA standards (the highest rating) but also identified some areas for improvement. While implementing a strategic plan was a direct recommendation to conform with the new standards' requirements, it can also address other gaps and suggestions, such as creating a staff development and resourcing strategy and expanding technology, advisory, and strategic risk-focused services.

Organizationally, there have been newly adopted mission, visions, and values across the Council. These include the Council-wide Imagine 2050 Development Guide, Metro Transit Forward Framework, the Environmental Services Strategy Map, and Regional Administration's new mission, vision, and values. Community Development and Metropolitan Transportation Services have not publicly adopted a mission or vision but rely on the regional development guide, Imagine 2050, for strategic direction.

Objective

The goal of this project was to create and implement a strategic plan that:

- Addresses External Quality Assessment (EQA) recommendations
- Conforms with Global Internal Audit Standards
- Aligns with organizational mission, vision, and values
- Enhances Internal Audit's value, effectiveness, and relevance to stakeholders
- Supports the organization's success

Scope

The new strategic plan will be a rolling three-year roadmap for 2026–2028, designed to stay current through annual updates. It is anchored in the 2026 risk assessment and also incorporates a review of emerging risks, peer organization strategic plans, and the IIA's newly released standards.³

Methodology

Requirements Review

The strategic planning process began with a review of the IIA's Global Internal Audit Standards and other relevant guidance on developing strategic plans. Based on the Standards and the EQA findings, Audit identified core elements of a strategic plan including the mission, vision, and values, which serve as the foundation for defining objectives, performance indicators, and resourcing plans.

³ 2026 Risk Assessment Report

Development of Mission, Vision, and Values

According to IIA guidance, an understanding of the objectives of the organization, key risks, and the expectations of stakeholders should form the basis of the strategic plan.⁴ To ensure alignment, existing Council strategic plans, annual risk assessment meetings, and input from other assurance services across the Council were reviewed.

Audit staff participated in brainstorming sessions, giving input on the former mission and vision. Audit used a logic model to guide strategic thinking and connect goals to outcomes (Appendix C). The mission and vision statements were revised with this feedback in mind and aligned with updated standards and the growing needs of the function and organization. After drafting, staff were again invited to review and provide feedback. Management-level staff participated in three additional one-hour strategy meetings to refine drafts. Audit Committee members provided input during a workshop and were invited to offer further feedback via email before final approval.

Development of Goals, Objectives, and Indicators

To develop goals and objectives, the previous three-year strategic plan was reviewed to assess progress towards goals and confirm continued alignment with revised mission, vision, and values. A SWOT analysis was completed with input from lead audit staff to inform goal setting (Appendix B). Current indicators were reviewed and documented to ensure that each objective was adequately linked to a measurable indicator that is both meaningful and practical to track over time. Progress towards previous benchmarks was reviewed to ensure new benchmarks were appropriately challenging but also achievable.

Documentation and Continuity

To ensure continuity and support periodic review and updates, work instructions for developing and updating the strategic plan were documented. KPIs were assigned for monitoring purposes with goals to be reported on at a minimum once a year during the director's report.

⁴ The Institute of Internal Auditors. Implementing an Internal Audit Strategic Plan. Insights to Quality, August 28, 2024. [Link](#).

2025-2028 Internal Audit Strategic Plan

Vision

The purpose of a vision statement is to express the Audit team's philosophy and aims. According to the Standards, it "describes the desired future state... and provides direction to help the function fulfill its mandate."⁵ It goes beyond specific goals and outlines the ideal future the team hopes to achieve. The vision answers: "Where do we want to be?"

In the previous strategic planning period, Audit adopted a vision that reflected the team's formative phase. The previous internal audit vision statement focused more on practical aspects, like having the right team size and proper training. While it mentioned providing assurance and consulting services, it did not describe the quality of those services or the kinds of goals the department aims to support. To improve this and better reflect the now more mature internal audit function, Audit developed a vision statement that is more aspirational and highlights the value and impact of our work. It is also more tailored towards work in the public sector by emphasizing transparency and accountability. It also now clearly incorporates the Council's larger organizational vision to create a prosperous, equitable, and resilient region. More logistical aspects included in the former vision statement, such as training, were removed but are covered in the resourcing portion of this strategic plan.

Image Two: Former VS New Vision Comparison

Former Vision

Be a right-sized and appropriately trained team of trusted advisors working in partnership with stakeholders to deliver assurance and consulting services to help the Metropolitan Council achieve the goals and objectives set forth in its strategic plan.

New Vision

To be a trusted strategic partner that drives transparency, strengthens accountability, and supports effective governance, risk management, and internal control thereby helping to achieve a prosperous, equitable, and resilient region.

⁵ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Domain 4 Principle 9: Plan Strategically. [Link](#)

Mission

The mission defines the core purpose: what Audit does daily, who it serves, and how it delivers value. The mission answers: “What do we do, and how do we do it?”

Image Three: Former VS New Mission Comparison

Former Mission	To enhance and protect organizational value by providing risk based and objective assurance, advice, and insight. Audit helps the Metropolitan Council accomplish its objectives by applying a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes
New Mission	To create , protect, and sustain organizational value by providing the Council and its leadership with independent , risk-based, and objective assurance, advice, insight, and foresight . We support the Council’s success by applying a standards-based , systematic, and disciplined approach to evaluating and improving governance, risk management, and control processes - enhancing decision-making, oversight, transparency, and stakeholder trust .

Audit’s former mission was similar to the purpose statement in Domain 1 of the new Global Internal Auditing Standards: “Internal auditing strengthens the organization’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.”⁶ However, slight changes in the purpose statement reflect larger changes in the direction of internal auditing. The new mission statement incorporates more of the changed language from Domain 1.

Key changes include:

- Addressing value creation, protection, and sustainability explicitly.
- Adding insight and foresight, signaling strategic contribution.
- Highlighting independence and organizational positioning.
- Including a clear public interest and stakeholder trust component.
- Reinforcing alignment with professional Standards.
- Tying audit work to decision-making and oversight enhancement.

⁶ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Domain I: Purpose of Internal Auditing. [Link](#).

Values

Values were not a part of the last Strategic Plan. Although not explicitly required by Standard 9.2, values are a foundational element of a strong strategy, as they articulate the principles and behaviors that guide the function. Audit looked to the new Standards to identify critical values that apply broadly across all internal audit functions. Several of these values are drawn specifically from Domain II, the section that replaced the previous Code of Ethics.⁷

Those values outlined by the Standards include:

- Integrity⁸ (which includes Honesty⁹ and Professional Courage¹⁰)
- Objectivity¹¹
- Quality¹² (which includes Competency¹³ and Due Professional Care¹⁴)

Brainstorming was held in staff meetings and team feedback was incorporated to develop the following additional values:

- Innovation
- Transparency
- Curiosity

To round out our values we looked at Organizational Values: (Appendix C)

- Equity
- Leadership
- Accountability
- Stewardship

Finally, Audit considered division-level Regional Administration Values: (Appendix D)

- Service
- Accountability
- Integrity
- Collaboration

⁷ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Domain II: Ethics and Professionalism of the new Standards. [Link](#).

⁸ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Principle 1 Demonstrate Integrity. [Link](#)

⁹ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Standard 1.1. [Link](#)

¹⁰ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Standard 1.1. [Link](#)

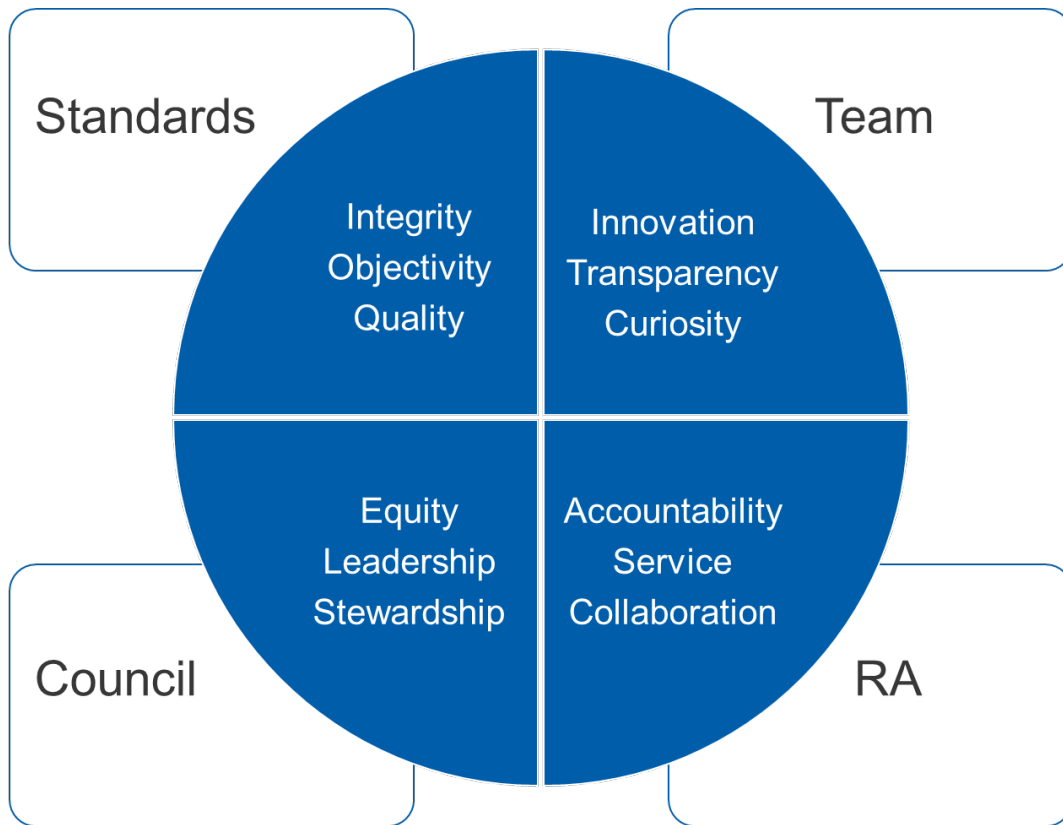
¹¹ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Standard 2.1-2.3. [Link](#)

¹² The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Standard 8.3. [Link](#)

¹³ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Principle 3. [Link](#)

¹⁴ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Standard 4.1. [Link](#)

Image Four: Internal Audit Values



**Accountability* is both an RA and Council value

**Integrity* is both a Standards and RA value

Goals, Objectives, Initiatives, and Indicators

The Global Internal Audit Standards specify that a complete internal audit strategy must include both strategic objectives (that set clear, measurable targets to advance the vision) and supporting initiatives (which define the actions needed to achieve the objectives).^{15,16} To determine goals, objectives, and initiatives, Audit reviewed and reflected on progress towards former goals, considered the updated mission, vision, and values, and reflected on the results of analysis tools such as the Logic Model and SWOT (Appendix A and B). These tools highlighted the implications of emerging developments, including updated Standards, the rise of artificial intelligence, and shifting geopolitical and regulatory risks. Together, the analyses point to clear strategic priorities.

The changing risk landscape and growing demand for assurance services present both opportunities and challenges. As the Council continues to strengthen its commitment to risk management and internal control, the Audit Department is evolving to meet the needs of a larger, more complex organization. Likewise, as other assurance functions at the Council mature, greater coordination and alignment will be essential. This growth necessitates a focus on foundational pieces such as formalized training strategies, expanded documentation of work processes, and enhanced KPI tracking. To position Audit for continued success, the strategic plan identifies six goals (Image Five). Four goals – “Operate Efficiently,” “Improve Continuously,” “Deepen Knowledge,” and “Increase Risk Awareness” – are variations of former strategic plan goals. Two additional goals – “Align Strategically” and “Deliver Value” – have been added to align with the updated mission of Internal Audit.

Image Five: Internal Audit Goals



¹⁵ In the former strategic plan, the term “strategies” was used to describe initiatives.

¹⁶ Standard 9.2: “strategic objectives define achievable targets to attain the vision. The supporting initiatives outline more specific tactics and steps for achieving each strategic objective.”

Each goal is presented below in a standardized format. The structure includes:

New/Updated Goal: The updated or continued goal that reflects the department's evolving priorities and strategic focus areas.

Objectives: Define achievable targets to attain the vision.

Former Goal: The original objective established in the prior plan, if applicable.

Goal Progress: A summary of key accomplishments, milestones achieved, and initiatives completed under the former goal.

Why This Update: The rationale for revising or continuing the goal, emphasizing lessons learned, emerging needs, or shifts in focus.

Values: The departmental values that underpin the goal's intent and execution.

Initiatives: Specific actions or initiatives and their intended outcome or impact that leads to the achievement of the goal. The EQA results, including the six initiatives that resulted from it, are incorporated as objectives (Appendix C). Several initiatives have been continued forward from the former plan with adjusted indicators and benchmarks to reflect progress achieved.

Indicator/Milestone: An event or outcome that confirms a required process, event, or activity occurred as intended, typically these are process-based or compliance milestones, such as creating a document.

Key Performance Indicators (KPIs): Quantitative measure of performance over time.

Benchmarks: Defined performance expectations or targets that provide a reference point for evaluating progress over time.

Goal One: Increase Risk Awareness

Objective: Continue to expand outreach efforts to embed risk awareness and internal control practices into daily operations and strategic decision making.

Former Goal: Improve awareness of risks and internal controls at the Metropolitan Council and the role of Program Evaluation and Audit.

Goal Progress: In the last strategic planning cycle, Audit started many initiatives that strengthened organizational risk awareness across the Council. The "Audit Roadshow" presentation was developed and delivered by the Chief Audit Executive (CAE) across various departments in the past three years, increasing visibility of internal controls and understanding of the audit function. Additional milestones include the procurement of a Governance, Risk, and Compliance (GRC) platform, which includes Enterprise Resource Planning (ERP) and internal controls mapping software. Audit has also collaborated with (LOD) and completed both the Fraud Training Module and the New Manager Orientation Module for use across the Council.

To strengthen everyday engagement, Audit established a visibility goal which encourages staff to spend time outside the audit area. Standard 11.1 emphasizes that “Communication should include opportunities for ongoing, formal interaction between internal auditors and the organization’s employees. When informal interactions occur consistently, employees gain trust in internal auditors, increasing the likelihood of candid discussions that may not occur in formal meetings.”¹⁷ In 2023 and 2024, staff completed a total of 116 and 101.5 visibility hours, respectively, with all but one team member meeting the annual goal of eight hours (excluding departing and new staff). So far in 2025, staff have completed 129 hours, with six of nine employees already meeting the target.

Why This Update: Initial awareness has been successfully established. The updated goal emphasizes advocacy and reinforcement, embedding risk-based thinking into both everyday activities and high-level decision making. This will be achieved by promoting an organizational culture where internal controls are viewed not as compliance requirements but as tools that enable efficiency, accountability, and sound stewardship.

Values: Leadership, Transparency, and Collaboration

Initiatives:

1. **Audit Awareness:** Improve awareness of the role of Program Evaluation and Audit by continuing to present the “Audit Roadshow” to reach new departments and refresh messaging for existing audiences.

KPI: Number of Audit Roadshow presentations delivered to unique departments

2. **Fraud and Risk Awareness:** Enhance awareness of risks, particularly emerging risks by launching new awareness campaigns including outreach sessions like lunch and learns.

Indicator: Events and communications coordinated for Fraud Awareness Week (November) and Internal Audit Awareness Month (May)

3. **Visibility:** Track and promote the use of staff time for visibility on projects and initiatives within the Council but outside of day-to-day Audit activities.

KPI: Average “visibility hours” per staff per year

Benchmark: Eight hours per staff member per year

4. **Collaboration:** Collaborate with the ERP implementation and control mapping teams to ensure continued progress toward building a strong control environment, using their data to inform risk assessments and address control gaps.

KPI: Number of hours Audit staff participate in collaborative initiatives such as ERP implementation

Indicator: Audit projects influenced by ERP or control-mapping insights.

¹⁷ The Institute of Internal Auditors. (2024, January 9). Global Internal Audit Standards: Standard 1.1. Link

Goal Two: Deepen Knowledge, Skills, and Abilities

Objective: Strategically develop staff knowledge, skills, and abilities to align with organizational needs and emerging trends.

Former Knowledge Goal: Ensure audit staff knowledge, skills, and abilities are adequate to deliver on the mission statement effectively and efficiently

Goal Progress: Over the past three years, staff have expanded their professional capabilities through diverse training opportunities, including participation in the Association of Local Government Auditors (ALGA) Conference, Institute of Internal Auditors' training, and pursuit of professional certifications such as Certified Information Systems Auditor (CISA), Certified Internal Auditor (CIA), and Project Management Professional (PMP). From 2023 to October 2025, 1,151 hours have been spent on training, representing approximately 2% of staff time. All staff reached the training goal of 20 hours in 2023 and 2024. Four staff have CIA credentials, and two additional staff are actively in the process of taking the three exams. One staff has a CISA, and one staff member is pursuing a PMP. One skills assessment was completed during the last strategic planning cycle. An analysis of staffing needs was also completed, resulting in two new FTEs allocated for 2026.

The department did not fully meet its previous objective to formalize a training and development program for all staff levels. While a series of presentations was created for audit interns, a comprehensive, documented training framework for all levels has not yet been established. In practice, staff development has relied on the general progression of courses offered by the local IIA chapter. For example, new associate auditors typically attend the "Skills for New Auditors" training and auditors may attend the "Auditor in Charge" course prior to leading projects.

Why This Update: The revised goal aims higher than only adequately delivering on the mission statement. The new goal focuses on strategic alignment ensuring that professional growth initiatives not only build individual capability but also address organizational priorities and emerging risk areas. To strategically and proactively do this, a documented approach needs to be taken. Continuing objectives from the former strategic plan include performing skills assessments, identifying priority training areas, identifying and documenting staffing needs, and developing a formal training program. In addition, two new areas of focus (technical knowledge and industry knowledge) have been added as well as the goal to maintain a strong internship program, an ongoing initiative that was not linked out to a goal in the previous strategic plan.

Values: Quality, Innovation, and Curiosity

Initiatives:

1. **Skills Assessment:** Perform skills assessment of existing staff to identify experience levels in audit skills, operational areas, business skills such as finance, accounting, procurement, equity, and others.

Benchmark: Perform skills assessment once per year and incorporate results into resourcing strategy and audit plan

2. **Resourcing Strategy:** Maintain a resourcing strategy that identifies staffing needs.

Benchmark: Review and update resourcing strategy once per year

3. **Training Program:** Develop a formalized training and development program for all staff levels within the department.¹⁸

Indicator: Updated auditor performance standards and an aligned onboarding/training program are created and adopted.

4. **Improve CPE Tracking:** Strengthen tracking for type and cost of continuing professional education (CPE).

Indicator: CPE tracking system enhanced to capture type, topic, and cost data.

5. **Targeted Training:** Identify high-risk, priority areas for targeted training and future hiring (e.g., IT, cybersecurity, capital programs, procurement, and investigations).

KPI: % of staff training hours per year in identified priority areas in the Resourcing Plan

6. **Grow Industry Knowledge:** Expand knowledge of industry-specific regulations, trends, and emerging risk areas across Council operations (transit, wastewater, housing, and planning).

KPI: % of staff training hours per year in industry-specific learning events

7. **Grow Technical Expertise:** Ensure the internal audit team develops and maintains necessary technical skills (e.g., data analytics and audit skills).

KPI: % of all staff holding or pursuing technical certifications

Benchmark: 20 (40 for staff holding a CIA) CPE hours per staff member per year

8. **Internship Program:** Maintain a strong internship program to support the development of future audit professionals.

Benchmark: At least one outreach or recruiting partnership maintained annually

Benchmark: Two interns hired per year

9. **Maintain Internal QAIP:**¹⁹ Develop and then complete annually the internal portion of the Quality Assurance and Improvement Program as required by Global Internal Auditing Standards.

Indicator: Internal QAIP program created

Benchmark: Internal assessment performed once per year

¹⁸ EQA Action Item 5 Refresh the Audit Staff Competency Performance Standards and Training Model.

¹⁹ EQA Action Item 6—Develop a Quality Assurance Improvement Plan (QAIP) to ensure compliance with Global Internal Audit Standards and the Audit Framework.

Goal Three: Improve Continuously

Objective: Improve the effectiveness of audit processes by building internal capacity through improved documentation, process standardization, and data analytics.

Former Improvement Goal: Improve the efficiency and effectiveness of audit processes.

Goal Progress: Audit has made significant strides in measuring outcomes, which is essential for developing efficient processes. Audit currently tracks twelve KPIs, including many from a Power.BI dashboard used to measure staff and project time. Other KPIs come from the creation and use of an audit database, which has allowed more standardized reporting on follow-up. Finally, Audit uses some manual spreadsheet tracking, for example to track training.

The department has also made sustained efforts to document its policies, procedures, and work instruction. Significant initiatives include the documenting of the overhead rate review procedure, the stockroom monitoring procedure, and updates made to the Audit Manual.

One objective that was tested but did not have fruitful results was the development and deployment of post-audit stakeholder surveys. There was not enough engagement and response to reach meaningful conclusions, and the issuance of surveys was discontinued in 2025. Despite these challenges, the department remains committed to developing a systematic way to receive stakeholder feedback and therefore has put this as a primary objective in the “Deliver Value” goal.

Why This Update: The decision was made to separate efficiency and effectiveness goals. This new goal focuses on continuous improvement, while Goal Four remains centered on appropriate and efficient use of resources. While the process of documenting procedures and work instructions may not lead to more efficient results immediately (such as a higher number of audits completed per year), it helps set the stage for future increases in productivity. The same can be said for KPIs; the time invested in developing and documenting pays off in increased performance. Effectiveness and efficiency are two sides of the same coin but are easier to measure individually. This reworded objective also adds specificity to the broader phrasing in the former strategic plan with a focus on how data analytics, documentation, and ongoing monitoring can improve efficiency.

Values: Quality, Innovation, and Service

Initiatives:

1. **Audit Manual:** Improve and update the Internal Audit Manual²⁰

Indicator: Audit manual updated within the next strategic planning cycle.

2. **Work Instructions:** Document work instructions for commonly completed tasks

Indicator: Work instructions created to better define internal processes

²⁰ EQA Action Item 2—CAE will lead to a refresh of the Internal Audit Manual

3. **Data Analytics:** Increase the use of data analytics in audit processes²¹ by developing new analytical tools and maintaining current KRI and project tracking interfaces (stockroom, farebox, timecard analysis, and recommendation status report).

KPI: Number of dashboards or repeatable analytic tools/scripts maintained

4. **Industry Benchmarking:** Build awareness of emerging practices by incorporating regular review of audits from peer organizations.

Indicator: A recurring process for selecting, reviewing, and discussing external audits is implemented.

Goal Four: Operate Efficiently

Objective: Enhance audit efficiency to maximize coverage, minimize redundancy, and ensure resources are directed toward priority areas.

Former Efficiency Goal: Maximize the use of audit resources to produce outcomes that help the Council address risks and opportunities identified in the Metropolitan Council's strategic plan and if applicable, division level strategic plans.

Goal Progress: Previous objectives of this goal included aligning strategically, improving risk assessment, and aligning with high-risk, high priority business objectives. Progress has been made on all these fronts. In 2025, a new method of risk assessment was developed and tested, with plans for continued revision and improvement each year. Consideration of Council and division strategic plans has been formally documented in audit planning documents and reports. The CAE has increased their presence in cross-Council strategic discussions by establishing recurring one on ones with upper management and leading a policy group known as "The Forum." The prioritization of high-risk areas continues to be largely driven by risk assessment process. Audit strategically uses outside services for technical areas such as IT, investigations and Capital projects.

Why This Update: Strategic alignment evolved into its own goal, allowing "Operate Efficiently" to focus specifically on optimization, coordination, and resource management. This goal now focuses on ensuring that audit's time, tools, and partnerships are used effectively to deliver assurance and insight with the greatest impact.

Values: Accountability and Stewardship

Initiatives:

1. **Monitor Engagement Efficiency:** Develop and monitor standardized performance metrics to evaluate audit timeliness, resource use, and overall productivity.

²¹ EQA Action Item 3—Internal Audit will adopt and integrate enhanced technology solutions to improve effectiveness and efficiency and help ensure compliance with Global Internal Auditing Standards.

KPI: Staff days budgeted vs. used per engagement

KPI: Audit cycle time (planning-to-report issuance)

2. **Integrate Audit Management Software:** Leverage new audit management software to automate tracking of KPIs, improve project workflow, and support real-time reporting.

KPI: KPIs automated vs. manual (%)

Indicator: Audit checklist moved to a project workflow

3. **Budget:** Monitor and report budget utilization against plan.

KPI: Budget-to-actual variance (%)

4. **Develop Templates:** Develop templates for recurring audits (e.g. property room, farebox, and stockrooms) to standardize approach and reduce rework.

KPI: # of standardized templates developed

5. **Prioritize Engagements:** Target high-risk and high likelihood areas to maximize impact and risk coverage.

Indicator: Annually perform an organization wide risk assessment that leads to a targeted audit plan.

6. **Scope Engagements:** Improve engagement-level scoping by tracking and analyzing scope revisions to identify patterns that can strengthen upfront planning and help ensure audits are appropriately tailored, risk-aligned, and focused enough to support timely delivery.

Indicator: Scope revisions and documented reasons are tracked and reviewed.

Goal Five: Align Strategically

Objective: Align Program Evaluation and Audit with organizational strategy by promoting coordination with leadership and other assurance functions and integrating strategic priorities into audit planning, activities, and reporting.

Why this Goal: The Standards require strategic alignment with stakeholder goals and expectations. Evolving Council strategic plans and emerging external risks underscore the need for continued focus on alignment. Strategic alignment positions audit to not only assess controls and compliance but also support achievement of the Council's long-term goals. Audit will build this alignment through collaboration, proactive engagement, and maintaining strong connections with leadership and assurance partners.

Values: Service, Leadership, and Collaboration

Initiatives:

1. **Assurance Mapping:** Strengthen coordination with other oversight functions at the Council to reduce overlap and optimize risk coverage.

Benchmark: Assurance coordination meetings held quarterly

2. **Risk Assessment:** Align organizational and engagement-level risk assessments with the Council's Strategic Plan and division level strategic plan.

Benchmark: 100% of planned audits mapped to strategic objectives

3. **Audit Plan:** Maintain a flexible, risk-based audit plan that adapts to emerging priorities and ensures appropriate coverage of technical areas through strategic outsourcing and co-sourcing.

Indicator: Maintain an Audit Plan Change Log to document adjustments to the annual audit plan, including the original plan item, the type of adjustment (added, deferred, canceled, or modified scope), and the reason (e.g., emerging risk, management request, or regulatory change). Track the rationale for co-/outsourced audits.

4. **Leadership Engagement:** Participate in Council-wide strategic initiatives and governance committees to stay connected to emerging priorities.

Indicator: CAE or designee attends cross-divisional forums, executive group meetings, and standing meetings with General Managers quarterly (MTS, CD, ES) and with the Regional Administrator biweekly

5. **Audit Framework:** Refresh the Metropolitan Council's Audit Framework policy documents²² to align governance processes with Global Internal Auditing Standards.

Indicator: Framework documents, including the Internal Audit Policy, the Audit Committee Charter, and the Audit Department Charter, have been updated and approved by the Audit Committee annually

6. **Strategic Planning:** Maintain and periodically refresh the Internal Audit Strategic Plan to ensure continued alignment with the Council's direction and department maturity.²³

Indicator: Strategic Plan updated every three years

Indicator: Progress toward goals reported annually in Director's Report

²² Action Item 1—CAE will lead a refresh of the Metropolitan Council's Audit Framework policy documents and seek approval through the Council and Audit Committee.

²³ EQA Action Item 4—The CAE will develop and update and refresh to the Internal Audit Strategic Plan (2022-2025) and propose approval to the Audit Committee

Goal Six: Deliver Value

Objective: Deliver value through risk-based assurance and insight that enhance decision-making and support value creation across all areas of the organization.

Why this Goal:

Delivering value is the ultimate purpose of internal audit and the culmination of all other strategic goals. Impactful audit work should inform decision making, strengthen accountability, and improve organizational performance. This goal focuses on ensuring that Audit's work remains relevant, impactful, and responsive.

This section's indicators are "lagging" by design. They focus on measuring the department's own impact through post-engagement evaluations. Increased emphasis will be placed on measuring the tangible impact of audit work, such as the implementation of recommendations, improvements in control environments, and timeliness of corrective actions.

Stakeholder engagement will also be enhanced through better-integrated feedback mechanisms and more accessible communication of results to audit staff. The department recognizes challenges with prior survey response rates and intends to embed more meaningful and continuous feedback opportunities throughout the audit lifecycle, using new features of the audit management software.

While traditional audit assurance work remains the department's core service, the new Global Internal Auditing Standards emphasize the importance of advisory services and insight generation. Audit plans to grow these advisory services as part of its value delivery strategy. Advisory activities made up approximately 1% of staff hours in 2024-2025.

Values: Service, Quality, Transparency, Objectivity, Equity, and Integrity

Initiatives:

1. **Stakeholder Feedback:** Improve and deploy client feedback mechanisms to measure audit value and responsiveness.

KPI: Stakeholder survey response rate (% of surveys completed)

Indicator: Survey integrated into new audit management software

2. **Follow-Up Reporting:** Formalize audit follow-up process and identify metrics to assist with reporting outcomes to Audit Committee.

KPI: % of audit recommendations implemented before due date

Benchmark: 90% of the time Audit staff proactively follow-up before recommendation due date

Indicator: Follow-up status and metrics reported bi-annually to the Audit Committee

- 3. Advisory Services:** Expand the department's advisory role through inquiries, consultations, and special projects that provide proactive insight

KPI: Total staff hours dedicated to advisory services (%)

Benchmark: 5% of total staff hours annually dedicated to advisory engagements

Indicator: Advisory requests and completion tracked in the audit management system

- 4. Post-Engagement Reviews:** Perform Post engagement reviews

Benchmark: All audits reviewed post-completion

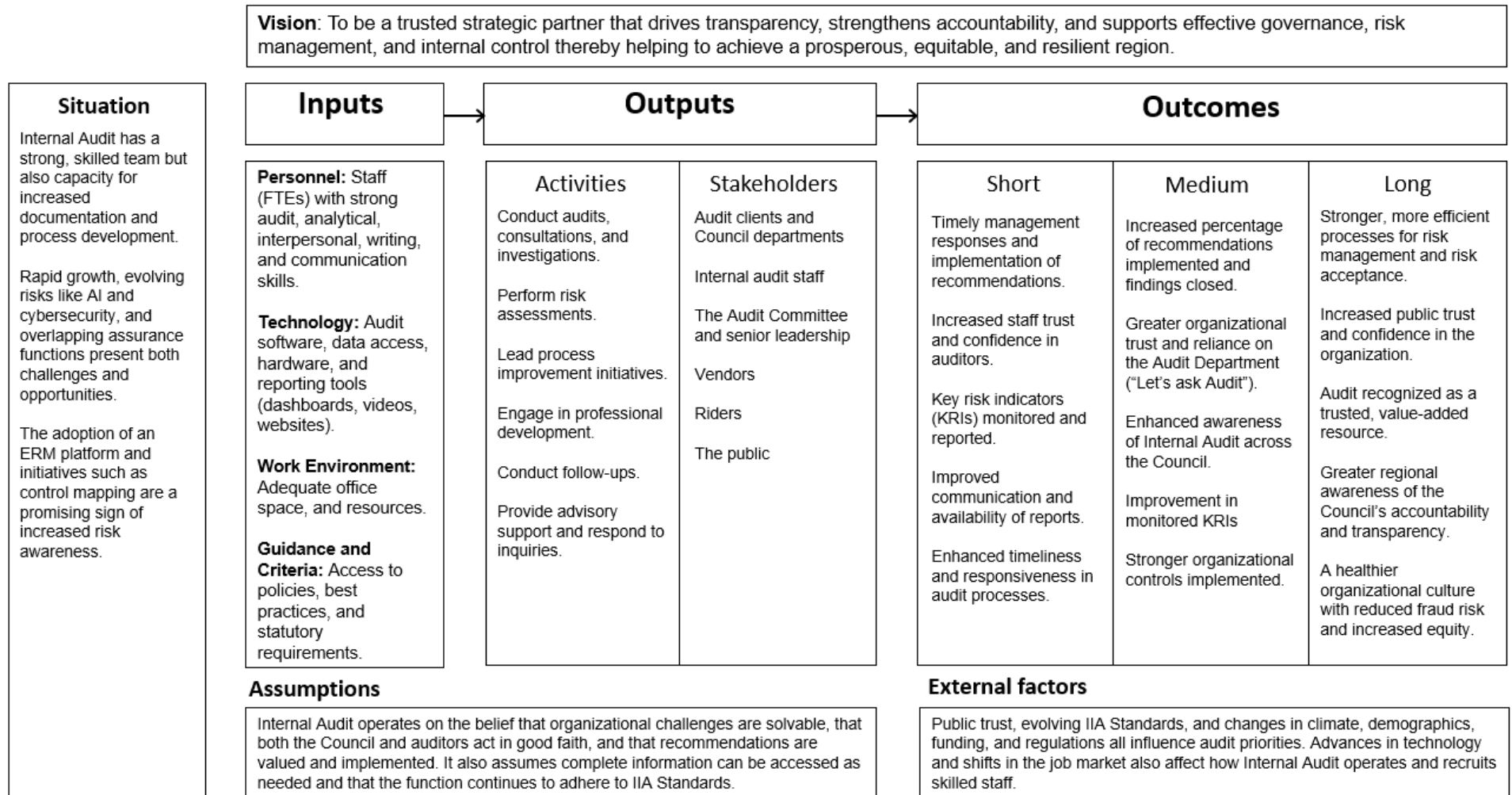
Indicator: Implement post-engagement reviews to evaluate areas of improvement.

- 5. Value Demonstration:** Develop a framework for tracking the impact of audit recommendations.

Indicator: Annual "Impact Summary" incorporated into the Director's Report that describes realized savings, process efficiencies, and strengthened controls.

Appendix A Logic Model

Program Evaluation and Audit Used a Logic Model for planning.



Appendix B SWOT Analysis

- **Internal Factors** – The strengths and weaknesses unique to the internal audit activity.
 - **Strengths** – Internal characteristics of the internal audit activity that can be considered facilitators of the audit strategy.
 - **Weaknesses** – Internal characteristics of the internal audit activity that, in opposition, can prevent the achievement of the audit strategy.
- **External Factors** – The opportunities and threats presented by the external environment to the internal audit activity. The external environment includes forces inside the organization (but outside of the internal audit activity) and outside of the organization.
 - **Opportunities** – External elements apart from the internal audit activity that can increase the demand for more and better assurance and advisory audit services.
 - **Threats** – External elements apart from the internal audit activity that, in opposition, can decrease the demand of assurance and advisory services, prevent the achievement of the audit strategy, and place the activity in an unfavorable position.

	Helpful	Harmful
	STRENGTHS	WEAKNESSES
Internal	<p>Qualified Staff: Team with experience, advanced degrees, and professional certifications</p> <p>Growing Capacity: Budget and headcount growth</p> <p>Established Governance: Audit Committee, Charter, and supporting policies ensure independence and oversight</p> <p>Technology Investments: Procuring audit management systems to increase efficiency</p>	<p>Resource Strain: Rapidly expanding responsibilities and many risk areas may stretch current staff</p> <p>Expanding Role: Limited number of resources for roles beyond internal auditing</p> <p>Process Maturity: Need for stronger documentation and consistent procedures</p>
	OPPORTUNITIES	THREATS
External	<p>Co-Sourcing Expansion: Leverage external partners for specialized audits</p> <p>Increased Visibility: Internal Audit seen as a strategic advisor</p> <p>Professional Development: Targeted, specialized training and certification support</p> <p>Emerging Technology: AI technology poses an opportunity to increase efficiency and expand audit coverage</p> <p>Increased Fraud Focus: State level focus on fraud, waste, and abuse</p>	<p>Talent Acquisition and Retention: Competition for experienced auditors may impact ability to staff critical roles</p> <p>Growing Assurance Overlap: Perceived overlap with other area's oversight</p> <p>Emerging Risks: Digital disruption (AI) and geopolitical unrest</p> <p>Regulatory Changes: Policy and regulation changes on both a State and Federal level</p>

SWOT Narrative

A SWOT analysis is a strategic planning tool used to evaluate internal strengths and weaknesses, along with external opportunities and threats. It supports informed decision-making by aligning internal capabilities with external conditions. This SWOT analysis is grounded in findings from the EQA, the broader context within the Council, and the larger risk environment. The insights from this review shape the direction of Audit's strategic plan, with particular attention to capacity development.

Internal: In terms of internal factors, there are several departmental strengths, which were underscored by the largely positive EQA results. Notably, the internal audit team is highly skilled and high performing. This is evidenced in the high number of certificates and years of experience among staff. These strengths provide a strong foundation for continued growth and innovation. Despite the strength of the team, the EQA identified some internal challenges. Documentation of internal processes and procedures such as training and quality assessment remains limited, which can hinder knowledge transfer and consistency. This gap is linked to rapid growth and increasing demands on staff capacity, resulting in resource strain that limits time for internal infrastructure development and improvement. Addressing this weakness is a priority in the upcoming strategic planning cycle, with an emphasis on scaling capacity while strengthening internal procedural documentation and institutional knowledge management. The adoption of a new audit software will greatly aid in creating workflows and additional audit trails and process documentation.

External: There is a lot of continued change to the risk landscape globally. According to the Internal Audit Foundation's 2025 Risk in Focus report (which synthesizes global survey data, regional roundtables, and expert interviews), "the two risks that increased the most substantially were digital disruption (including AI) and geopolitical uncertainty".²⁴ In addition, cybersecurity remains a persistent and high-priority risk.

Outside of Internal Audit, the Council has seen new teams take on assurance-adjacent roles. These include additional assurance by the following groups IS Security, MTS Compliance, MT Safety and RA Procurement's Contract Administration unit. These teams are performing reviews and assessments that support broader risk management. While there is risk of overlap, there is also a potential for synergy and collaboration. Talent acquisition and retention are critical risk areas, particularly as external market pressures may impact the ability to attract and retain staff. With many new staff positions opening, labor market turns may disproportionately affect internal audit's progress toward strategic goals.

²⁴ Internal Audit Foundation. (2025). *2026 Global Summary Risk in Focus*. The IIA. <https://www.theiia.org/globalassets/site/foundation/latest-research-and-products/risk-in-focus/2026/2026-global-report-en-riskinfocus.pdf>

Appendix C Response EQA Recommendations

Action Item 1—CAE will lead a refresh of the Metropolitan Council’s Audit Framework policy documents and seek approval through the Council and Audit Committee.

The framework, policy, and authority for audit work at the Council is listed in several documents approved by the governing body of the Metropolitan Council. The relevant documents include the bylaws of the Metropolitan Council, the Internal Audit Policy, the Audit Committee Charter, and the Audit Department Charter. In the first half of 2025, CAE will provide a refreshed and updated Audit Policy and Audit Committee Charter to senior management, and then to the Audit Committee and the full Metropolitan Council for approval. The CAE will also provide an updated Audit Department Charter to the Audit Committee for approval. These policy documents will be designed to adhere to the new Global Internal Auditing Standards and address conformance gaps identified by the peer review panel including clarity on the roles and responsibilities of the CAE—including those involving non-audit functions; reaffirm internal auditors’ access to information and document a process for the CAE to communicate gaps in compliance; documents the CAE’s, the Audit Committee, and Metropolitan Council’s role in reviewing potentially unacceptable risks; establish an agreed-upon matrix or similar documentation showing the information, including the essential conditions, that the CAE should communicate to the board and senior management and the expected frequency and provides a roadmap to show how the Audit Framework helps compliance with Global Internal Auditing Standards.

Action Item 2—CAE will lead to a refresh of the Internal Audit Manual

The Internal Audit Department has an Audit Manual that has been incrementally updated over the past few years while additional internal procedure documents have been developed and implemented in the team. To ensure consistency and compliance with Global Internal Auditing Standards, the CAE will ensure a full refresh of the document takes place to accomplish the following:

- guidelines regarding documentation related to any circumstance of nonconformance, alternative actions taken, the impact of the actions, and the rationale
- methodology for internal auditors to communicate unethical behavior
- methodology to conduct annual risk assessments that incorporates guidance and tools to better formalize and structure our approach to considering external risks facing the Council.
- alignment with existing and emerging technology tools such as audit software, ethics reporting, ERP, asset management systems, and others
- methodology to report unacceptable risk to senior management and the board
- guidance and tools to ensure that monitoring and follow up processes are better defined and followed
- updated audit process checklist that will conform and map to Global Internal Auditing Standards and align with existing and new technologies
- documented processes and tools to show supervisory review of audit documentation
- templates and work instructions to better define our internal processes, including the Risk and Control Matrix
- guidance for inclusion of organizational strategic objectives in audit objectives and reporting
- documented processes and methods to ensure support to report auditor’s opinions in reports
- improved, updated and regular reporting and monitoring methods to senior management on audit Key Performance Indicators (KPIs)
- procedures to track and align internal audit work with other assurance providers at the Council
- procedures to standardize audit report formatting to include areas to ensure conformance to 2025 Standards.

- standardized template that can easily redact any sensitive information or for specific audiences

Once the Audit Framework and Audit Manual are finalized, the CAE and Managers will lead an internal training with all internal audit staff.

Action Item 3—Internal Audit will adopt and integrate enhanced technology solutions to improve effectiveness and efficiency and help ensure compliance with Global Internal Auditing Standards.

In 2024, the Council issued a request for proposals for enterprise risk, internal control and auditing software. CAE expects that a selection will be made from this RFP in the first quarter of 2025 and a solution will be implemented by the end of 2025. As stated above, the CAE will ensure that this solution incorporates new Global Internal Auditing Standards and improvements made to the Audit Framework and Audit Manual.

Action Item 4—The CAE will develop and update and refresh to the Internal Audit Strategic Plan (2022-2025) and propose approval to the Audit Committee

The Strategic Plan for the internal audit department was last approved in 2022 and is due for a refresh by the end of 2025. The CAE will work with staff, senior management at the Council, and refer to the results of the EQA to develop a refreshed strategic plan, mission, vision, and values that aligns with Imagine 2050, the Regional Administration Strategic Plan, and divisional strategic plans. Specifically, the CAE will consider inclusion of goals around development of an Internal Audit Staff Development and Resourcing Capacity Strategy. This strategy will consider how Internal Audit can manage staff and additional resources to address key risks, including cybersecurity, and ensure strategic alignment of resources for third-party assistance, training, and tools to the Council's key risk areas. The strategy will be designed to include updated KPIs for the internal audit function.

Action Item 5—Refresh the Audit Staff Competency Performance Standards and Training Model

The Auditor performance standards are updated annually, however, are due for a refresh and update to ensure conformance with Global Internal Audit Standards. Among other things, these performance standards will consider incorporation of professional courage as criteria. In addition, the CAE will develop an auditor on-boarding and training guide to formalize and align training and staff development resources with departmental needs aligned to key risks facing the organization.

Action Item 6—Develop a Quality Assurance Improvement Plan (QAIP) to ensure compliance with Global Internal Audit Standards and the Audit Framework.

By the end of 2025, the CAE will develop a formal and specific plan to ensure compliance with Global Internal Audit Standards and monitor the quality of internal audit work. The plan will detail specific steps and processes for the CAE and managers and identify updated and regular reporting and monitoring methods with senior management, the Audit Committee, and the full Council. In addition, the QAIP will document expected CAE and Audit Committee presentations throughout the year, including periodic documented interactions with the Audit Committee about the role of the CAE and the CAE's activities related to training and professional development. The formal QAIP will also include the selection process/criteria of external quality assessor with the requirements of the Standards, including having at least one CIA.

Appendix D Regional Vision and Values

Imagine 2050 - Metropolitan Council

Regional Vision — A prosperous, equitable, and resilient region with abundant opportunities for all to live, work, play, and thrive

Regional Values — Equity, leadership, accountability, and stewardship

Equity We value the people and communities of our region. Our region is economically and culturally vibrant. We also recognize, however, the harm and disparities that injustices, including racism, have created. We are dedicated to creating systems, policies, and programs that repair and heal past harm, foster an equitable future, and eliminate disparities. Communities that have been marginalized in the past will be at the center of this work in leadership roles.

Leadership We value those in our region who inspire and motivate others for positive change. Our region is known for its civic engagement. We need broad and inclusive leadership to help confront the significant challenges we face around equity, climate change, safety, and other pressing issues. To maximize the potential of our region and its communities, we turn to leadership that is diverse, collaborative, culturally competent, and innovative. We encourage this kind of leadership across all sectors including business, government, non-profit, and education.

Accountability We value being effective in our work and achieving measurable outcomes. Our region is known for its research, initiatives, and collaborations. We must be open to criticism and clearly understand when we are not achieving results or have harmed communities. We recognize that we can maximize our effectiveness by being in partnership with others. We will also be transparent and flexible so that we can change course when needed.

Stewardship We value our region's resources. Our resources include our natural, economic, and financial resources as well as our infrastructure. We recognize that these resources may be vulnerable over time to changing conditions, including from climate change. We must design our systems and allocate our resources in ways that can be sustained over time and support the needs of future generations.

Regional Goals

Our region is equitable and inclusive. Racial inequities and injustices experienced by historically marginalized communities have been eliminated, and all people feel welcome, included, and empowered.

Our communities are healthy and safe. All our region's residents live healthy and rewarding lives with a sense of dignity and wellbeing.

Our region is dynamic and resilient. Our region meets the opportunities and challenges faced by our communities and economy including issues of choice, access, and affordability.

We lead on addressing climate change. We have mitigated greenhouse gas emissions and have adapted to ensure our communities and systems are resilient to climate impacts.

We protect and restore natural systems. We protect, integrate, and restore natural systems to protect habitat and ensure a high quality of life for the people of our region.

Appendix E Regional Administration Strategic Plan

Regional Vision — Regional Administration provides enterprise services that are aligned with the Council's vision

Regional Values

Service
Accountability
Integrity
Collaboration

Three Pillars:

WORKFORCE: Create an inclusive work environment that supports employee growth and retention and meets the Council's strategic goals.

TECHNOLOGY: Maintain a Council-wide safe environment, modernize systems, and streamline service delivery to support divisional objectives.

GOVERNANCE: Execute enterprise-wide solutions to improve transparency, communication, and decision-making. Promote systems-thinking and manage risk to achieve strategic objectives.

Distribution List

All audit reports are reported to the general public and are available on www.metrocouncil.org. This audit report was distributed to the following parties:

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