GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

INTERNAL AUDIT QUARTERLY REPORT
First Quarter - 2020

May, 2020

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GREATER CLEVELAND
REGIONAL TRANSIT AUTHORITY

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INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2020 THROUGH MARCH 31, 2020

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INTRODUCTION

Presented herein and in accordance with Board Policy is the report of the Internal Audit Department activities for the First Quarter 2020. The report outlines work performed, recommendations and management's responses, including specific steps for the implementation of all agreed-upon recommendations and other pertinent data.

We suspended several projects in the 2020 Internal Audit Plan to address the risks posed by the global pandemic. The challenges posed by the coronavirus (COVID-19) continues to grow and evolve with each passing day. Organizations require timely information and a sophisticated approach to manage the pandemic's impacts on employee health and productivity, fiscal implications, supply chain disruptions, cybersecurity vulnerabilities, the health of local and global markets, and more.

Internal Audit has an important role to play in supporting organizational efforts to navigate these challenges. Responding to this dynamic risk, both short-term and long-term, requires access to relevant, up-to-date information. Since March 9, 2020, we engaged and participated in both the daily executive management team meeting and the daily operations division meeting, held to learn and address strategic and tactical challenges related to COVID-19.

We engaged our public transit peers through the American Public Transportation Association (APTA Internal Audit Committee), and other learning and information sources. Presented herein this report are the results of several internal audit projects and activities.

The Internal Audit Department is an independent appraisal function established within the Authority to examine and evaluate its activities as a service to the Board of Trustees and management. The objective is to assist management in the effective discharge of their responsibilities. To this end, Internal Audit furnishes management with analyses, appraisals, recommendations, counsel and information concerning the activities reviewed. The audit objective includes promoting effective control at reasonable cost.

The Internal Audit Department will respond to the Board of Trustee requests for audit services in a timely manner. Please contact me at (216) 356-3106 to service your requests.

(signature)   5/6/2020

Anthony A. Garofoli
Executive Director of Internal Audit

2020 INTERNAL AUDIT PLAN

Project Name	Quarter	(Hours)
Consulting Projects		
Cost of Collecting Fares	2	200
Data Analytics Consulting	TBD	160
Third Party Risk Assessment	2	200
Continuous Auditing		
Accounts Payable	All	200
Accounts Receivable	All	200
Nepotism	All	100
Payroll Expense	All	300
Paratransit Eligibility/Certification	All	100
Revenue Collection	All	100
Contract Audits		
CNG Bus Purchase	2,3,4	120
CNG Fueling Plant Construction	2,3,4	200
Common Area Maintenance – Tower City		
Fiber Optic Line Replacement	3,4	300
Health Care Benefits	3,4	300
Red Line Heavy Rail Vehicle Replacement	TBD	
Scrap Metal	2	400
Shop Uniforms	2	200
Supplemental Paratransit Service	4	300
Tower City Track Replacement	2.3	340
External Audits		
Financial Audit Support	2	320
Safety System Program Plan	3	320
System Security Plan	4	160

2020 INTERNAL AUDIT PLAN

Project Name	Quarter	(Hours)
Information Technology Audits		
Business Continuity Management	2,3	200
Change and Patch Management	3	200
Employee Issued Equipment - Inventory	2	240
Employee Time & Attendance System	1,2	200
Facilities Access Security	2	200
Maintenance-Management System Upgrade	3	240
Network and Application Security	3,4	240
Transit Police CAD AVL System Upgrade	3,4	200
Internal Audits		
Absence Control - FMLA	3	240
Accrued Leave	3,4	340
Closed-Circuit Camera System	2	350
Customer Service Center – Tower City	2,3	200
ESMS ISO 14001 Conformance Audit	2,3,4	300
Facilities Access	2	200
Fare Media Inventory/Distribution	TBD	250
Hiring Practices	4	320
Ridership Counting	2	100
Petty Cash	2	200
Travel Reimbursement	All	200
Revenue Audits		
Farebox Inventory	3	200
Fare Collection & Counting Services	2	160
Sales Agent - Accounts Receivable	4	320
Special Requests & Emerging Issues		2000

"The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals" - Institute of Internal Auditing Standards – Planning 2010.

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COVID-19 PROJECTS AND ACTIVITIES

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Enterprise-wide COVID-19 Risk Assessment

Purpose:

The purpose of the risk assessment was to provide management with considerations for COVID-19 scenario risk planning and information for decision-making.

Risk Assessment Results:

- Forecast and allow for employee absences due to factors such as personal illness, family member illness, community containment measures and quarantines, and school and/or business closures.
- Implement guidelines to modify the frequency and type of face-to-face contact among employees and between employees, customers, and contractors.
- Encourage and track employees with COVID-19 symptoms and diagnosis. Consider infection control protocols for employees who may be exposed, are suspected ill, or become ill at the worksite (e.g. immediate mandatory sick leave, disinfecting work areas, establishing and monitoring potential exposure of co-workers).
- Identify key employees and key contractors with special needs and incorporate their requirements into the preparedness plan.
- Update Division/Department Continuity of Operations Plan (COOP). Identify succession plan for leadership, contact information, and key operations in the wake of a COVID-19 event).
- Set up authorities, triggers, and procedures for activating and terminating the Authority's response plan, altering business operations (e.g. shutting down operations in affected areas), and transferring business knowledge to key employees. Identify key metrics (e.g. ridership, revenue collection, equipment failures, building closures, absenteeism...)
- How does the Authority continue to protect Personally Identifying Information (PII) and Protected Health Information (PHI) as employees work from home?
- Does IT ensure anti-virus signatures and patches continue to be updated on all devices for employees who work from home?
- What contingency plan has the Authority put in place should internet, telephony, or cellular service start to degrade during prime working hours?
- How does IT ensure they open only necessary firewall ports and continuously monitor all open ports?
- What plans should the GCRTA have should a key supplier limit output or shut down during this COVID-19 disruptive event?
- Have procedures for re-introducing recovering employees back to the workplace.
- Consider conducting a drill to ensure the alternative Integrated Command Center is functional and ready (Bus, Rail, Overhead Power, Communications, and Transit Police)

Management Actions:

- The Operations Division created and published the COVID-19 Risk Planning Document. The document includes:
    - Infection Control Measures/Tracking; Containment; and Reinstruction of Recovered Employees
    - Employee Workforce and Key Personnel
    - Operational Continuity and Response Plans (Triggers, Procedures, Transfer of Knowledge, Key Metrics)
    - Information Technology/Cyber Protection and Continuity Measures
    - Integrated Command Center Special Considerations
- Implemented COVID-19 guidelines and protocols for employees, customers, and contractors
- Implemented guidelines and protocols for employee with GCRTA-issued computer equipment to maintain software patching and anti-virus updates while telecommuting.
- Purchased extra-bandwidth to increase productivity and data management.
- Completion or upgrade of the enterprise-wide Continuity of Operations Plans (COOPs) by the end of the Second Quarter 2020.

Internal Audit will develop follow-up reviews to evaluate risks and mitigation efforts.

Bus, Railcar, and Paratransit Vehicle Disinfecting Program

Purpose:

GCRTA announced the enhanced cleaning protocol in response to concerns about the spread of the coronavirus. GCRTA staff said it would clean all touchable surfaces on board its vehicles with a cleaning agent recommended by the Centers for Disease Control (CDC). As of March 9, 2020, GCRTA staff sanitizes all buses, railcars, and paratransit vehicles at least every 24 hours. The objective of the audit is to provide assurance to management and promise made to our customers.

Scope:

Internal Audit completed a compliance and internal controls review to evaluate the cleaning and sanitizing process, the CDC product and inventory control, and product application per the respective manufacturers' instructions.

We are also conducting random spot audits, weekly at each of the operating districts, to evaluate compliance with management directives.

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COVID-19 PROJECTS AND ACTIVITIES

Results:

GCRTA staff is using CDC approved products to sanitize buses, railcars, and paratransit vehicles at least every 24 hours. Management has an adequate supply and control of inventory to ensure product availability. Controls are in place and working effectively to ensure product the mix and application per the respective manufacturers' instructions.

Internal Audit conducted weekly spot audits at each of the operating districts. These spot audits are unannounced; we found no exceptions.

Family First Coronavirus Response Act (FFCRA)

Purpose:

The FFCRA requires the GCRTA requires certain the GCRTA to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19.

Scope:

Internal Audit will conduct a compliance audit to provide assurance eligible employees receive the applicable benefits per the FFCRA. We will include 100% of the applicants in the scope of the audit.

GCRTA Employee-Issued Computer Equipment

Purpose:

GCRTA management issued computer equipment to employees who are able to telecommute.

Scope:

Internal Audit is conducting a 100% inventory of computer laptops, desktops, and other devices. We will compare the inventory with management records to provide evaluate accountability and the inventory control process. We will also compare the inventory with the management system in place (ZenWorks) used to update software and anti-virus for every machine.

Added Value: Management can use the information to recover equipment from the employees.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Purpose:

The CARES Act, a bipartisan stimulus bill recently approved by the federal government, includes $25 billion in emergency relief for public transit agencies across the country to offset lost revenue and the extraordinary costs associated with COVID-19.

GCRTA is scheduled to receive approximately $111 million of CARES Act funding which will address lost revenue and increased operating expenses related to COVID-19, including:

- Lost sales tax revenue
- Lost fare box revenue
- Purchase of cleaning supplies and personal protective equipment
- Other expenses

Scope:

Internal Audit will develop an audit to evaluate compliance with CARES Act.

Other Internal Audit Activities and Considerations

- Sharing COVID-19 national and local information captured from social media with management for decision-making.

- Conducting assurance audits to evaluate the effectiveness of controls in place for employee health & safety COVID-19 protocols (i.e. absence management, completion of COVID-19 forms, return to work protocols).

- Support for management to review COVID-19 related metrics (i.e. ridership data, absence control, revenue collection, equipment failures, and supply chain shutdowns).

- Conduct audits of employee time & attendance system data for inclusion of COVID-19 related payroll codes.

- Conducting audits of PCard transactions for COVID-19 related expenses.

COMPLETED PROJECTS

GCRTA Travel Expense & Reimbursements

Purpose:

Per Administrative Code 220.03 - Expense Reimbursement, the Internal Audit Department reviews all of the travel expenses for authorization, approval, and reimbursement in accordance with the Authority's policies and procedures.

Scope:

Internal Audit reviewed all the Travel Reports and Reimbursement Requests for the period January 1, 2020 through March 31, 2020 prior to cash disbursement. The review included tests for allowability, reasonableness, and timeliness.

Results:

Internal Audit reviewed all of the travel expenses and reimbursement requests prior to payment. If necessary, reimbursement requests were adjusted to comply with applicable policies and procedures.

Vehicle Purchase – (9) Commuter Coaches – (Motor Coach Industries, Inc.)

Purpose:

The Board authorized Contract No. 2018-037 with Motor Coach Industries, Inc., for the manufacture and delivery of up to nine (9) forty-five (45) foot commuter coaches, training, special tools and spare parts.

The Federal Transit Administration obligates federal funds to the GCRTA for purchasing buses to carry passengers in mass transit service. Recipients of these funds must comply with several federal regulations, one of which is the Pre-Award and Post-Delivery Rule.

Scope:

Audit Staff completed the applicable Buy America Review, required by Federal Transit Administration.

Results:

Audit staff completed the Post-Delivery Review. This included an on-site review of contractor records, tour of the manufacturer's final assembly plant. The complied with federal regulations.

The contractor delivered these vehicles during the Fourth Quarter 2019.

COMPLETED PROJECTS

Internal Audit completed the Buy America, Post-Delivery Purchaser's Review and functional testing prior to transfer of vehicle titles or placing the vehicles into revenue service.

Nepotism

Purpose:

The GCRTA Code of Ethics provides policy to ensure the hiring and supervision, by and within the Authority, is conducted in compliance with the Ohio laws, and in a manner that enhances public confidence in the Authority, prevents situations that give the appearance of partiality, preferential treatment, improper influence, and conflict of interest.

Scope:

Internal Audit evaluated the relationships and employment placement for all of the active employees. GCRTA Personnel Policy 300.03 Employment of Relatives provides:

> *"…For purposes of this policy, "immediate family" shall mean spouse, children, parents, grandparents, brothers, sisters, grandchildren or any person related by blood or marriage, or relative residing in the same household..."*

Results:

We compiled a list of employee relationships based on a computerized analysis of the GCRTA Human Resources Information System records and interviews. Our analyses revealed approximately 15% of GCRTA employees are related, as defined by GCRTA Personnel Policy 300.03.

Internal Audit developed a heat map to identify non-compliance and risk of non-compliance:
- Employees who report to a relative in the same business unit
- Employees who work in the same business unit, but do not report to a relative
- Employees who work in a different business unit than a relative

We will share this information with Human Resources and Legal for corrective actions. Internal Audit will re-perform this analysis on a quarterly basis in our continuous audit program.

CONTINUOUS AUDITING

Continuous auditing is an automatic method used to perform auditing activities, such as control and risk assessments, on a more frequent basis. Technology plays a key role in continuous audit activities by helping to automate the identification of exceptions or anomalies, analyze patterns within the digits of key numeric fields, review trends, and test controls, among other activities.

Customer Fare Collections

Purpose:

To evaluate and provide assurance customer fares, collected from fare collections systems are reconciled, posted to accounting records and deposited in the bank.

Scope:

Internal Audit Staff developed a continuous audit test, utilizing audit software, to query the fare collections systems data to reconcile with cash counts, GCRTA accounting records and third-party bank deposits. The audit script executes daily. Any exceptions are noted for investigation with appropriate management.

Results:

We noted several immaterial differences between system collections and deposits during the First Quarter 2020. Management is engaged with the fare collection vendor to resolve the differences.

Procurement Card (P-Cards)

Purpose:

The GCRTA launched a P-Card Program several years ago. P-Cards provide a means for streamlining the procure-to-pay process, allowing cardholders to procure goods and services in a timely manner, reduce transaction costs, track expenses, take advantage of supplier discounts, reduce or redirect staff in the purchasing and/or accounts payable departments, reduce or eliminate petty cash, and more.

Scope:

Internal Audit developed a continuous auditing script to evaluate P-Card transactions for compliance with the GCRTA Procurement Card Policy. We also evaluate transactions for potential fraud, waste and abuse.

CONTINUOUS AUDITING

Results:

We identified several instances of non-compliance, including split purchases to avoid policy thresholds and other issues for management awareness. We met with appropriate management and cardholders to provide the results of our analysis. Management is evaluating our findings for corrective actions and implementation of enhanced internal controls.

Management completed required training for all PCard holders in January 2020. The training focused on policy awareness and internal controls to ensure accountability.

Accounts Payable

Purpose:

The GCRTA Accounting Department processes payment to vendors and contractors.

Scope:

Internal Audit will develop a continuous auditing script to evaluate payables and to search for fraud, waste, and abuse.

PROJECTS IN PROGRESS

GCRTA – Cleveland State University Student Universal Access Fare Program (U-Pass Program)
(Board Resolution 2004-001)

Purpose:

The GCRTA entered into an agreement to provide prepaid and universal access to public transportation services. Each full time student pays a flat fee per semester and is able to ride GCRTA services on an unlimited basis during the semester.

Scope:

Internal Audit will evaluate compliance with the agreement.

Facilities Security Access

Purpose:

Internal Audit will evaluate access to GCRTA facilities.

Scope:

The audit will include a review of internal controls, security templates, the inventory of access points, access to secured areas and other security components.

Fare Media Inventory

Purpose:

GCRTA management warehouses fare media (tickets) in secured locations. A computerized order entry system is used to account for inventory, point of sale and customer orders, invoices, and delivery locations.

Scope:

Internal Audit conducts audits to evaluate the existence, completeness and value of the inventory.

PROJECTS IN PROGRESS

Fare Collection – (Brinks, Incorporated)

Purpose:

Management utilizes a third-party contractor to pick-up, count, and deposit fare collections.

Scope:

Internal Audit will evaluate contract compliance and management controls.

Paratransit Supplemental Services

Purpose:

The GCRTA Board of Trustees authorized (3) contracts to provide Paratransit Services for a three year period, beginning June 1, 2019.

- Contract No. 2018-097C with Senior Transportation Connection
- Contract No. 2018-097B with GC Logistics of Mississippi, LLC
- Contract No. 2018-097A with Future Age, Inc. DBA Provide A Ride

Scope:

Internal Audit will evaluate contract compliance and management controls.

HealthLine Ridership

Purpose:

The HealthLine is Cleveland's first Bus Rapid Transit (BRT) system, serving the Euclid Corridor. It connects the two largest regional employment areas, Downtown and University Circle, and extends to the Louis Stokes Station at Windermere in East Cleveland. The purpose of the audit is to validate the equipment used to capture ridership is working effectively and as designed.

Scope:

Each vehicle is equipped with an automatic passenger counter. Internal Audit will test the vehicle counters and evaluate equipment maintenance.

PROJECTS IN PROGRESS

Time & Attendance System (Kronos) - Upgrade

Purpose:

Management is upgrading the employee time and attendance system. This system and data will migrate to cloud technology.

Scope:

Internal Audit will evaluate:

- System access and profiles
- System interfaces
- Parallel Testing, data processing comparison between the old version and new version

Triskett Garage Compressed Natural Gas Plant Construction

Purpose:

The GCRTA Board of Trustees authorized Contract No. 2019-062 with Trillium Transportation Fuels, LLC, dba Trillium CNG to provide installation of the CNG fueling system at the Triskett bus garage

Scope:

Internal Audit will evaluate contract compliance and management controls.

Fiber Optic Line Replacement - Red Line Construction

Purpose:

The GCRTA Board of Trustees authorized Contract No. 2017-122 with Clifton, Weiss & Associates, Inc. for Project 59 - Fiber Optic Communications System Improvements and Contract No. 2019-146 with Lake Erie Technologies, Inc. for Project 59 - Fiber Optic Communications System Improvements.

Scope:

Internal Audit will evaluate contract compliance and management controls.

PROJECTS IN PROGRESS

Red Line Heavy Rail Vehicle Replacement

Purpose:

The GCRTA Board of Trustees authorized Contract No. 2019-115 with LTK Consulting Services, Inc. dba LTK Engineering Services for technical specification, program management and engineering services for Red Line HRV replacement.

Scope:

Internal Audit will evaluate contract compliance and management controls.

Tower City Track Replacement

Purpose:

The GCRTA Board of Trustees authorized Contract No. 2019-001 with Railworks Track Services, Inc., for Project 52M - Rehabilitation of Tracks 10 and 13 at Tower City Station

Scope:

Internal Audit will evaluate contract compliance and management controls.

Closed-Circuit Camera Systems

Purpose:

The GCRTA Transit Police maintains many systems of closed circuit cameras throughout the buildings, facilities, and vehicles.

Scope:

Internal Audit will summarize and evaluate the camera systems for life cycle, data retention, access, and operability (safe and reliable functioning).

PROJECTS IN PROGRESS

Facilities Access – (Keys)

Purpose:

The GCRTA Transit Police is responsible for building and facility access control. They maintain a system and inventory of keys.

Scope:

Internal Audit will summarize and evaluate the system and inventory controls in place for keys.

Facilities Access – (Swipe Cards)

Purpose:

The GCRTA Transit Police is responsible for building and facility access control. They maintain a system for access control and inventory control of employee identification/access cards.

Scope:

Internal Audit will summarize and evaluate the system and inventory controls in place for employee identification/access control cards.

SPECIAL REQUESTS AND EMERGING ISSUES

Tower City Customer Service Center Operations

Purpose:

The Transit Police Chief requested audit services to evaluate internal controls and processes at the Tower City Customer Service Center.

Scope:

Audit staff will interview employees, review management controls and support the Transit Police as requested.

Results:

The Internal Audit completed the fieldwork for the internal investigation. Management crisis suspended and terminated the employment of several employees. The matter was referred to the Cuyahoga County Prosecutor, who decided not to prosecute the former employees.

Management immediately implemented Internal Audit recommendations to mitigate the risks of employee fraud, waste and abuse. The Tower City Customer Service Center was re-opened to service GCRTA customers.

Internal Audit supported GCRTA Legal and Risk Management to recover the financial loss through a crime insurance claim. GCRTA filed a claim in March 2018 and settled in March 2020. The GCRTA received a settlement of $600,000, net of the deductible and including the reimbursement of forensic consulting fees.

Health Care – Pharmacy Claims Expense

Purpose:

The Executive Director of Internal Audit initiated an audit to evaluate the costs of employee and their eligible dependent pharmacy claim expenses.

Scope:

Claims processed by the third-party pharmacy claims processor for the period January 1, 2014 through June 30, 2016.

SPECIAL REQUESTS AND EMERGING ISSUES

Update:

The Internal Audit completed the fieldwork for the internal investigation. Management crisis suspended and terminated the employment of several employees. We referred this matter to the Federal Bureau of Investigation, the United States Attorney and the Cuyahoga County Prosecutor.

Management immediately implemented Internal Audit recommendations to mitigate the risks of employee fraud, waste and abuse.

We are working with GCRTA Legal and Risk Management to recover the financial loss through a crime insurance claim. A claim was filed in February 2018.

We will issue a final report after completion of the investigation. The claim adjudication process is suspended during the COVID-19 pandemic.

Board Member Health Care Benefits

Purpose:

The General Manager/CEO requested an audit of trustee's health care premiums paid into the GCRTA Health Care Self-Insurance Program. After sharing the results of the audit with the Board of Trustees, they directed Internal Audit to conduct an investigation.

Scope:

We will conduct the audit for compliance with the policy per Board Resolution 1994-35.

Update:

The Internal Audit completed the fieldwork for the internal investigation. The trustee resigned his position. We referred this matter to the Cuyahoga County Prosecutor.

The Board of Trustees implemented Internal Audit recommendations to mitigate the risks of fraud, waste and abuse.

We are working with GCRTA Legal and Risk Management to recover the financial loss through a crime insurance claim. GCRTA management filed a claim March 1, 2019.

We will issue a final report after completion of the investigation. The claim adjudication process is suspended during the COVID-19 pandemic.

SPECIAL REQUESTS AND EMERGING ISSUES

Board Member Compensation

Purpose:

The Vice President of the Board of Trustees requested an investigation into allegations received in an anonymous letter.

Scope:

Internal Audit engaged appropriate resources to conduct the investigation into the allegations included in the anonymous letter.

Update:

Internal Audit referred the matter to law enforcement agencies. We will issue a final report after completion of the investigation.

Event Sponsorship

Purpose:

The Vice President of the Board of Trustees requested an investigation into allegations received in an anonymous letter.

Scope:

Internal Audit engaged appropriate resources to conduct the investigation into the allegations included in the anonymous letter.

Update:

Internal Audit referred the matter to law enforcement agencies. We will issue a final report after completion of the investigation.

EXTERNAL AUDIT COORDINATION

The International Standards for the Professional Practice of Internal Audit provides:
- *2050 – Coordination:*
  - *"The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.*

The following Federal and State Agencies performed audits and reviews of the Authority's policies and records during the Fourth Quarter 2019:

- State of Ohio – Office of the Auditor
  - The State of Ohio – Office of the Auditor is on-site to conduct the 2019 Single/Financial Audit. The exit conference is scheduled for the June 2, 2020 Audit, Safety Compliance and Real Estate Committee (Executive Session required).

- State of Ohio – Ohio Department of Transportation (ODOT)
  - Federal legislation requires each state to have and implement a State Safety and Security Oversight program for its rail transit systems. The ODOT Rail Transit Safety and Security Oversight Program fulfills this requirement.
  - ODOT selected a consultant, Vital Assurance Inc., to act as the Program Manager for Rail Safety and Security Audits.
  - Internal Audit will work with GCRTA Safety to perform the audits as required by ODOT.
  - The Consultant meets with GCRTA Management on a quarterly basis to review and follow-up on outstanding corrective action.

Internal Audit will coordinate final audit and review findings within our audit management system. We track recommendations and required corrective actions through implementation. Audit staff will review supporting evidence to closeout outstanding issues.

STATUS OF OUTSTANDING FOLLOW-UP

The International Standards for the Professional Practice of Internal Audit provides:

- 2500 – Monitoring Progress
  - "The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management."
  - "The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action."

(See the <u>Recommendation Implementation Tracking Report</u> on the next page)

The report is generated from the GCRTA Internal Audit Department audit management system (TeamMate). All outstanding issues and recommendations from internal and external audits and reviews are tracked within the application module (TeamCentral).

Audit staff is directed to follow-up with management to evaluate actions are effectively implemented.

STATUS OF OUTSTANDING FOLLOW-UP

Recommendation Implementation Tracking

Recommendation	State	Project Code	Issue	Issue Type	Priority	Estimated Date	Revised Date	Actual Date	Owner	Entity
Payment of Wages Owed to Separated FOP Employees	Implemented	2017 - IA - 18 - Transit Police - 2016 FOP Wage Increase	Payment to Separated FOP Employees	Reportable Condition	Medium Priority	10/31/2017		10/5/2017	Ferraro, Scott	Employee and Labor Relations
Recover Wage Overpayments from Active, Full-Time FOP Employees	Implemented	2017 - IA - 18 - Transit Police - 2016 FOP Wage Increase	Recover Overpayment from Active, Full-Time FOP Employees	Reportable Condition	Medium Priority	12/29/2017		10/5/2017	Pettus, Marsha	Employee and Labor Relations
Remove AFLAC Payroll Deduction Codes	Implemented	2018 - FWA - 10 - Workers Compensation Supplemental Insurance - AFLAC	Third-Party - Supplemental Insurance Premium Collections	Material Weakness	High Priority	1/31/2019		1/4/2019	Smith, Kristyn	Human Resource Information System
Limits or Capacity Contraints on ADA Service	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	# of Trips Booked on System - 2016 FTA Report	Reportable Condition		2/4/2020		7/13/2013	Davidson, Nicholas	Greater Cleveland Regional Transit Authority
Bus Maintenance Plan	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Bus Maintenance Plan	Reportable Condition		2/4/2020		9/11/2019	Dietrich, Daniel	Greater Cleveland Regional Transit Authority
DBE Goal	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	DBE Goal	Reportable Condition		2/4/2020		9/13/2019	Sims, Steven	Greater Cleveland Regional Transit Authority
Facility or Equipment Maintenance Plan	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Facility or Equipment Maintenance Plan	Reportable Condition		2/4/2020		9/11/2019	Tiell, John	Greater Cleveland Regional Transit Authority
Insufficient ADA Complaint Process	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Insufficient ADA Complaint Process	Reportable Condition		2/4/2020		9/12/2019	Brooks-Williams, Felicia	Greater Cleveland Regional Transit Authority
Insufficient No-Show Procedures	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Insufficient No-Show Procedures	Reportable Condition		2/4/2020		9/16/2019	Davidson, Nicholas	Greater Cleveland Regional Transit Authority
Monitoring Long Trips	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019	Monitoring Long Trips	Reportable Condition		2/4/2020		9/13/2019	Davidson, Nicholas	Greater Cleveland Regional

STATUS OF OUTSTANDING FOLLOW-UP

Recommendation Implementation Tracking

		Comprehensive Review								Transit Authority
Reasonable Modifications	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Reasonable Modifications	Reportable Condition		2/4/2020		9/11/2019	Brooks-Williams, Felicia	Greater Cleveland Regional Transit Authority
Subrecipient Oversight – Title VI	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Subrecipient Oversight - Title VI	Reportable Condition		2/4/2020		1/30/2020	Wiehe, Craig	Greater Cleveland Regional Transit Authority
Subrecipient Title VI Plan	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Subrecipient Title VI Plan	Reportable Condition		2/4/2020		1/30/2020	Wiehe, Craig	Greater Cleveland Regional Transit Authority
Title VI Public Notice Translation	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Title VI Public Notice Translation	Reportable Condition		2/4/2020		9/11/2019	Brooks-Williams, Felicia	Greater Cleveland Regional Transit Authority
Wheelchair Lift – Weight/Size Limitations	Implemented	2019 - IA - 16 - Federal Transit Administration - 2019 Comprehensive Review	Wheelchair Lift – Weight/Size Limitations	Reportable Condition		2/4/2020		9/29/2019	Davidson, Nicholas	Greater Cleveland Regional Transit Authority
COVID-19 Vehicle Disinfectant Mix Control	Implemented	2020 – IA – 13 – COVID-19 Vehicle Cleaning	COVID-19 – Disinfectant Mix & Device Calibration – Hayden	Compliance	High Priority	4/24/2020		4/21/2020	Marzette, Glen	Hayden District
COVID-19 Vehicle Disinfectant Mix Control - Triskett	Implemented	2020 – IA – 13 – COVID-19 Vehicle Cleaning	COVID-19 Vehicle Disinfectant Mix Control - Triskett	Compliance		4/24/2020	5/1/2020	4/30/2020	Gregory, Anthony	Triskett District

OTHER PROJECTS

Fraud Hotline

The GCRTA Fraud Hotline (216) 350-5130 is established to reduce and recover the loss of public funds from any acts of fraud, waste and/or abuse. GCRTA contracts include contact information and require contractors to call whenever they suspect an illegal act or an ethics violation. The Hotline is available to our employees and the public. Audit Staff will work closely with Management, Transit Police as well as law enforcement agencies, prosecutors, professional associations and the public to ensure GCRTA assets are safeguarded.

Information Technology Steering Committee

The Chief Information Officer chairs this committee. The purpose of this committee is to oversee, analyze and prioritize the overall technology needs of the Authority.

Change Order Review Committee

The General Manager/CEO created this committee to review potential contract change orders greater than (50) thousand dollars to validate the appropriateness of the request and to ensure appropriate Procurement and Project Management processes are adhered to. Internal Audit serves as a resource to the committee.

First Quarter 2020 Change Orders:

Change Order #1 to Contract 2019-2 for Elevator, Escalator, & Lift Maintenance & Repair. The change order authorized Kone Inc. to order parts in the amount of $132,183.50 to repair the up and down escalators located at the end of the Gateway Walkway near the entrance to Rocket Mortgage Field House.

TransitStat

The Executive Director of the Office of Management & Budget created this Program. The purpose of this Program is to provide management feedback and the resources to self-assess. The program is designed to improve the efficiency and effectiveness of management. Internal Audit serves as a panel member and a resource to management.

STAFF TRAINING

Internal Audit Department staff received the following training during the First Quarter 2020:

Northeast Ohio Internal Audit Local Chapter
- Generations in the Workplace – Increasing Engagement, Resolving Conflicts, and Creating a Respect-full Team
- Internal Ethics and Compliance Investigation
- Third-Party Risk Management
- Cybersecurity
- Information Governance Risks in a Digital Economy
- Risk Management
- Economic Crimes Task Force, Secret Service
- Non-Verbal Communication
- Fraud and Investigation Tactics

Northeast Ohio Association of Certified Fraud Examiners
- Expense Report and Credit Card Fraud, and Data Privacy Concerns

Greater Cleveland Regional Transit Authority
- Purchasing Card – Policy and Procedures
- HIPAA Training

STAFF PROFILES

Anthony A. Garofoli
Executive Director of
Internal Audit

Anthony joined the GCRTA on September 23, 1996. He earned his BA in Accounting from Cleveland State University. Prior to joining the GCRTA, he worked 16 years in progressively responsible positions for the Office of the Auditor of the State of Ohio. His experience includes financial audits of State and Local Governmental Units; fraud investigations; contract compliance, operational and internal audits. He has earned several certifications.

Anthony Ghanem
Senior Auditor

Anthony joined the GCRTA on June 4, 2012. He earned his BA in Economics and International Studies from Case Western Reserve University and his Master's Degree in Public Administration from Cleveland State University. He is a graduate of the GCRTA Management Development Program.

Information Technology
Auditor

Vacant

Edward Gaio
Staff Auditor

Ed joined the GCRTA on February 21, 2006. He earned his BA in Criminal Justice and a BBA in Finance from Kent State University. Edward is a Certified Fraud Examiner.

Steven Zimmerman
Staff Auditor

Steven joined the GCRTA on June 1, 2015. He earned a BS in Biology from Cleveland State University and his Master's Degree in City and Regional Planning from Rutgers University. He is a graduate of the GCRTA Management Development Program. Steven is a Certified Internal Auditor.

Molly O'Donnell
Staff Auditor

Molly joined the GCRTA on February 23, 2020. She earned a BA in Public Administration, Urban Planning, Sustainability from Miami University, Oxford Ohio.

Alma Diaz Ramos
Information Technology
Specialist Auditor

Alma joined the GCRTA on September 24, 2017. She earned a BS in Marketing from Baldwin Wallace University.

Neletre Burts-Tolbert
Secretary

Nell joined the GCRTA in 1990. In addition to her clerical and administrative responsibilities, she assists the Executive Director and Audit staff with a variety of specialized audit support services.