

RESOLUTION NO. 2025-32

APPROVING THE 2025 INTERNAL AUDIT PLAN

WHEREAS, the Board of Trustees has been granted the power and authority, pursuant to Chapter 306 of the Ohio Revised Code, to manage and conduct the affairs of the Greater Cleveland Regional Transit Authority ("Authority"); and

WHEREAS, Article IX, Section 5 of the Authority's Bylaws provides that the Board of Trustees shall review and approve the internal audit plan; and

WHEREAS, Section 262.07(a) of the Authority's Codified Rules and Regulations ("Code Book") requires the Executive Director of Internal Audit to submit, at least annually, to the General Manager, Chief Executive Officer, executive management and the Board of Trustees a risk-based internal audit plan for review and approval; and

WHEREAS, Section 262.07(d) of the Code Book requires the Executive Director of Internal Audit to communicate to the General Manager, Chief Executive Officer, executive management and the Board of Trustees any significant interim changes to the internal audit plan; and

WHEREAS, the Executive Director of Internal Audit prepared an audit plan for 2025, consulted with and considered feedback from the Board of Trustees, the General Manager, Chief Executive Officer and executive management, in accordance with the professional standards of the Institute of Internal Auditors; and

WHEREAS, the Executive Director of Internal Audit has submitted the 2025 Internal Audit Plan to the General Manager, Chief Executive Officer and executive management; and

WHEREAS, the Executive Director of Internal Audit hereby submits the 2025 Internal Audit Plan for approval by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the 2025 Internal Audit Plan, which is substantially in the form of the attachment hereto, has been reviewed and approved, and the Executive Director of Internal Audit is hereby directed to inform the Board of Trustees, General Manager, Chief Executive Officer and executive management of any significant interim changes to the 2025 Internal Audit Plan.

Section 2. That this resolution shall become effective immediately upon its adoption.

Attachment: 2025 Internal Audit Plan

Adopted: February 28, 2025



President

Attest: 

Secretary-Treasurer

Attachment 2025 Internal Audit Plan

Project	Budgeted Hours	Audit Theme
<u>Advisory Projects</u>		
Change Order Committee	40	Financial Health
Customer Information	80	Customer Experience
Data Analytics	40	Financial Health
Fraud Risk Assessment	80	Financial Health
FTA Pre-Triennial	100	Financial Health
Global Internal Audit Standards Implementation	80	Employee Investment
Insurance Application Support	40	Financial Health
Real Property Identification	40	Financial Health
<u>Internal Audits</u>		
Accident Review Committee Rating and Prioritization	80	Employee Investment
Accounts Payable	150	Financial Health
ADA Certification Process	160	Customer Experience
ADA Stop Announcements	150	Customer Experience
Bus Field Supervision Follow-up	40	Employee Investment
Capital Planning Funding Process Development	100	Financial Health
CSU U-Pass Closeout	40	Financial Health
Customer Communication - Service Interruptions Follow-Up	80	Customer Experience
Customer Complaints	150	Customer Experience
Electronic Funds Transfer Follow-up	40	Financial Health
Exit Interview Process	150	Employee Investment
Fare Capping	200	Customer Experience
Fare Collection	250	Financial Health
Federal Grant Funding Compliance Review	40	Financial Health
Fuel Expense - CNG and Propulsion	60	Financial Health
GCRTA Board Stipends and General Manager Salary	40	Financial Health
Healthcare Claims Expense	40	Financial Health
In-Service Vehicle Failures	100	Customer Experience
Miscellaneous Receipts Process	200	Financial Health
Nepotism Self-Disclosure File Audit	20	Employee Investment
On-Time Performance	150	Customer Experience
Operator Training Program	200	Employee Investment
Physical Inventory	200	Configuration Management
Power & Way - Asset & Configuration Management	250	Configuration Management
Predictive Maintenance Program	250	Configuration Management
PTASP - AP 016 Safety Review Policy and Procedures	80	Configuration Management
Purchasing Card Process	150	Financial Health
Student Operator Overtime	100	Employee Investment
Succession Planning	200	Employee Investment
Third-Party Risk Assessment	100	Financial Health
Transit Ambassadors	40	Customer Experience
Travel Reimbursement	150	Financial Health
Work Order Management	200	Configuration Management
Workers' Compensation and Claims Process	40	Financial Health

Attachment 2025 Internal Audit Plan

Project	Budgeted Hours	Audit Theme
<u>Railcar Replacement</u>		
Brookpark Maintenance Shop & Yard Construction	100	Community Impact
Buy America - Locomotive Replacement	60	Community Impact
Buy America - Owner Furnished Equipment	40	Community Impact
Buy America - Railcar Option	40	Community Impact
Railcar Infrastructure Modifications	80	Community Impact
Railcar Port Connection Construction	80	Community Impact
Railcar Replacement Contract - Siemens	150	Community Impact
<u>Information Technology Audits</u>		
Accrued Leave	200	IT Governance
Applicant Tracking System Implementation	100	Employee Investment
Artificial Intelligence Policy	40	IT Governance
Change and Patch Management	200	IT Governance
CISA External Dependencies Management Assessment	40	IT Governance
Consolidated Train Dispatch System Replacement	100	Community Impact
Cybersecurity	40	IT Governance
Disaster Recovery	120	IT Governance
Hastus Operator Performance Module	80	Employee Investment
IT Equipment Inventory	80	IT Governance
IT Governance	80	IT Governance
Maintenance Management System Upgrade	100	Configuration Management
Pass Upgrade/Mobility App	120	Community Impact
Role-Based Access Control	200	IT Governance
Salary Non-Exempt Compensatory Time	20	Financial Health
Third-Party System and Organization Controls (SOC)	80	IT Governance
Windows 11 Upgrade	40	IT Governance
<u>Continuous Audit</u>		
Continuous Audit Dashboard Development	250	Financial Health
Dependent Benefit Eligibility Script Development	100	Financial Health
Fuel Expense Script Development	130	Financial Health
Mobile Ticketing Script Development	500	Financial Health
Nepotism Script	50	Employee Investment
Paratransit Script	20	Financial Health
Payroll Script	50	Financial Health
Purchasing Script	50	Financial Health
Revenue Script	50	Financial Health
<u>External Audits</u>		
Financial Audit Support	40	Financial Health
FTA Project Management Oversight	40	Community Impact
System Security Plan	40	Financial Health

Attachment 2025 Internal Audit Plan

Project	Budgeted Hours	Audit Theme
<u>Contract Audits</u>		
12D Trunk Line Signal System Construction	100	Community Impact
52N East Portal Construction	100	Community Impact
60E E.120th Substation Construction	100	Community Impact
Buy America - Articulated Coach Replacement	40	Community Impact
Buy America - CNG Coach Replacement	80	Community Impact
Buy America - Paratransit Vehicle Replacement	40	Community Impact
Common Area Maintenance Expense Review	150	Financial Health
Landscaping Contracts	100	Community Impact
Special Requests & Emerging Issues	2000	

Success Outcomes and Audit Themes:

GCRTA management developed four success outcomes with performance metrics to achieve the long-term strategic vision and action plan to guide everyday decision-making.

- I. ***Customer Experience***
- II. ***Community Impact***
- III. ***Financial Health***
- IV. ***Employee Investment***

In addition to these four success outcomes, the Internal Audit Department identified two additional agency priorities and high-risk areas to guide our audit plan development.

- V. ***IT Governance***
- VI. ***Configuration Management***

These six topics represent the six audit themes we prioritized for our 2025 annual audit plan. Our plan is designed to support management to achieve the business objectives through risk-based assurance audits and advisory engagements.

“The chief audit executive must create an internal audit plan that supports the achievement of the organization’s objectives” – Global Internal Audit Standards – Section 9.4 Internal Audit Plan



TITLE/DESCRIPTION: APPROVING THE 2025 INTERNAL AUDIT PLAN	Resolution No.: 2025-32
	Date: February 20, 2025
	Initiator: Internal Audit
ACTION REQUEST: X Approval Review/Comment Information Only Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will approve the Greater Cleveland Regional Transit Authority’s (“Authority”) 2025 Internal Audit Plan, as required by Article IX, Section 5 of the Bylaws of the Greater Cleveland Regional Transit Authority (“Bylaws”) and Sections 262.07(a) and (d) of the Codified Rules and Regulations of the Greater Cleveland Regional Transit Authority (“Code Book”).

- 2.0 **DESCRIPTION/JUSTIFICATION:** The Institute of Internal Auditors’ (“IIA”) International Professional Practices Framework (“IPPF”), Standard 2010: Planning, provides that, “[t]he chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization’s goals.” The IIA’s interpretation of that standard states that, “[t]o develop the risk-based plan, the chief audit executive consults with senior management and the board and obtains an understanding of the organization’s strategies, key business objectives, associated risks, and risk management processes. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organization’s business, risks, operations, programs, systems, and controls.”

The internal audit plan is intended to ensure that internal audit coverage adequately examines areas with the greatest exposure to the key risks that could affect the Authority’s ability to achieve its objectives. The preparation of the plan consists of a five-step process, including the identification of audit areas, establishment of risk-based audit priorities, allocation of resources, development of audit schedules, and formulation of the annual plan. Per the IPPF, Internal Audit considered feedback from the Board of Trustees, the General Manager, Chief Executive Officer, executive management and others. After Internal Audit met with the General Manager, Chief Executive Officer and each member of executive management to review their business objectives and organizational goals, Internal Audit aligned the plan with the Authority’s Strategic Plan and Success Outcomes.

- 3.0 **PROCUREMENT BACKGROUND:** Does not apply.

- 4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Does not apply.

- 5.0 **POLICY IMPACT:** Adoption of the resolution will result in the Authority having a 2025 Internal Audit Plan approved in accordance with the Authority’s Bylaws, Code Book and the IPPF’s Planning standard.

- 6.0 **ECONOMIC IMPACT:** Does not apply.

- 7.0 **ALTERNATIVES:** Not adopting the resolution would leave the Authority without an approved Internal Audit Plan for 2025.
- 8.0 **RECOMMENDATION:** On February 18, 2025, the Audit, Safety Compliance and Real Estate Committee reviewed and discussed the 2025 Internal Audit Plan and referred it to the full Board. It is recommended that the resolution be adopted, approving the 2025 Internal Audit Plan.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



General Manager, Chief Executive Officer