

RESOLUTION NO. 2022-27

APPROVING THE 2022 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") requires the Executive Director of Internal Audit to submit, at least annually, to the General Manager, CEO, 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 requires the Executive Director of Internal Audit to communicate to the General Manager, CEO, 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 2022, consulted with and considered feedback from the Board of Trustees, the General Manager, CEO 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 2022 Internal Audit Plan to the General Manager, CEO and executive management; and

WHEREAS, the Executive Director of Internal Audit hereby submits the 2022 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 2022 Internal Audit Plan ("Plan"), which is substantially in the form of the attachment hereto, has been reviewed and is approved and the Executive Director of Internal Audit is hereby directed to inform the Board of Trustees, General Manager, CEO and executive management of any significant interim changes to the Plan.

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

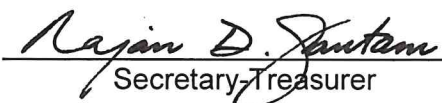
Attachment: 2022 Audit Plan

Adopted: March 29, 2022



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President

Attest:



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Secretary-Treasurer

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT  
OCTOBER 1, 2021 THROUGH DECEMBER 31, 2021**

<b>2022 (PROPOSED) INTERNAL AUDIT PLAN</b>
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<b>Project</b>	<b>Budgeted Hours</b>	<b>Success Outcome(s)</b>
<b><u>COVID-19 Activities</u></b>		
American Rescue Plan – Federal Grant	80	I,II,III
<b><u>Consulting Projects</u></b>		
Audit Management System Replacement	200	IV
Data Analytics	160	II,III
Fraud Risk Assessment	240	II,III,IV
IPPF – Internal/External Assessment	240	IV
Third-Party Risk Assessment	240	I,III
<b><u>Continuous Auditing</u></b>		
Accounts Payable	200	II,III
Accounts Receivable	200	II,III
Nepotism	160	IV
Payroll	240	III,IV
Paratransit Eligibility/Certification	160	I,II
Purchasing Card Expenses	160	III,IV
Revenue Collection	160	III
<b><u>Contract Audits</u></b>		
ATU Contract Implementation	160	III,IV
Advertising Agency	160	I,II,III,IV
Compressed Natural Gas Vehicle Replacement	160	I,II,III
Common Area Maintenance - Tower City	200	III
Compensation Study	200	I,II,III
Hayden Garage Roof Replacement	200	I,IV
Health Care Expenses	240	III
Heavy Rail Motor Overhaul	160	I,II,III
Heavy Rail Vehicle Replacement	500	I,II,III
Laptop Replacement Program	240	III,IV
Main Office Building HVAC Replacement	200	III,IV
Revenue-generating Advertising	200	I,II,III
Tower City East Portal Rehabilitation	200	I,II
Viaduct Rehabilitation	200	I,II
<b><u>External Audits</u></b>		
Financial Audit Support	160	II,III
Federal Transit Administration - Triennial Review	100	II,III
Public Transit Agency Safety Plan	340	I,II
System Security Plan	200	I,II

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**Information Technology Audits**

Change and Patch Management	160	III,IV
Consolidated Train Dispatch System	160	I,III,IV
Cyber Liability/Testing	160	III,IV
Disaster Recovery	200	I,III,IV
Information Technology Governance	240	III,IV
Maintenance-Management System Upgrade	200	III,IV
Operator Time & Attendance System Upgrade	200	III,IV
Oracle System Upgrade/Migration	400	III,IV
RiskMaster/Oracle Interface	160	III
Transit Police Body Cameras	200	I,II,IV

**Internal Audits**

Absence Control - FMLA	200	III,IV
Accrued Leave	160	III,IV
Blank Ticket Stock	160	III
Cash Collections Sites	160	III,IV
Customer Service Center - Tower City	160	II,III
Fare Media Inventory/Distribution	200	III
Federal Infrastructure Grant	160	I,II,III
Hiring Practices	240	IV
Overtime	200	I,III,IV
Parts Inventory - Cycle Counting	200	III
Petty Cash	100	III
Records Retention	160	III
Scorecard Data/Information	160	I,II,III,IV
Travel Reimbursement	120	III

**Revenue Collection Audits**

Fare Collection Contract/Controls	200	I,III
Mobile Revenue Pass Collections	200	I,III

Special Requests & Emerging Issues 2000

**Success Outcomes**

- I. Customer Experience
- II. Community Value
- III. Financial Sustainability
- IV. Employee Engagement

*"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.*



TITLE/DESCRIPTION:  APPROVING THE 2022 INTERNAL AUDIT PLAN	Resolution No.: 2022-27
	Date: March 24, 2022
	Initiator: Internal Audit
ACTION REQUEST: X Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 PURPOSE/SCOPE: This action will approve the 2022 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”).

2.0 DESCRIPTION/JUSTIFICATION: Standard 2010, Planning, of the Institute of Internal Auditors’ (“IIA”) International Professional Practice Framework provides that “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.” The IIA’s interpretation of that standard states that “to 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 scheduled, and formulation of the annual plan. Per the professional standards, Internal Audit considered feedback from the Board of Trustees, the General Manager, CEO, executive management and others. After Internal Audit met with the General Manager, CEO and each member of the executive management team 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 2022 Internal Audit Plan approved in accordance with the Authority’s Bylaws, Code and the Planning standard of the IIA.

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 2022.
- 8.0 RECOMMENDATION: On March 8, 2022 the Audit, Safety Compliance and Real Estate Committee reviewed and discussed the 2022 Internal Audit Plan and referred it to the full Board. It is recommended that the resolution be adopted, approving the 2022 Internal Audit Plan.

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



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General Manager, Chief Executive Officer