

RESOLUTION NO. 2024-18

APPROVING THE 2024 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 2024, 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 2024 Internal Audit Plan to the General Manager, Chief Executive Officer and executive management; and

WHEREAS, the Executive Director of Internal Audit hereby submits the 2024 Internal Audit Plan for approval by the Board of Trustees.

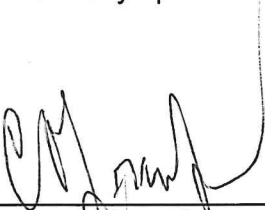
NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the 2024 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 2024 Internal Audit Plan.

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

Attachment: 2024 Internal Audit Plan

Adopted: March 5, 2024



Resident

Attest: 

Secretary-Treasurer

ATTACHMENT
Greater Cleveland Regional Transit Authority
Internal Audit Department
2024 Internal Audit Plan

Project	Budgeted Hours	Success Outcome(s)
<u>Advisory Projects</u>		
Assurance Map - External Assurance Providers	80	III
Change Order Committee	40	I, II, III
Data Analytics	20	II, III
Engineering Workforce Advisory	100	II, IV
Fraud Risk Assessment	80	III
Insurance Application Support	40	III
Internal Audit - Global Audit Standards - Implementation	80	IV
Self-Insurance Casualty Program Assessment	40	III, IV
<u>Internal Audits</u>		
Accident and Incident Training and Discipline Outcomes	120	III, IV
Accounts Payable	200	III
ADA Certification Process	200	I, II, III
Applicant Tracking System Implementation	200	I, IV
Capital Planning Funding Process Development	200	III
Configuration Management Follow-up	80	I, II, III, IV
CSU U-Pass Closeout	80	II, III
Customer Complaints Process	200	I, II, III
Customer Service Center - Tower City	80	III, IV
Dependent Eligibility - Follow-up	80	III, IV
Electronic Funds Transfer Approval Process	100	III
FTA Triennial Taskforce	100	III, IV
Fuel Expense	100	III
Healthcare Claims Expense	200	III, IV
Maintenance-Management System Upgrade	200	I, II, III, IV
On-Time Performance	300	I, II
Petty Cash	80	III
Physical Inventory	250	III
PTASP - Emergency Operations Plan	200	I, IV
PTASP - Maintenance Management SOPs/Documentation	200	I, III, IV
Service Quality Bus Field Supervision	120	I, II, IV
Third-Party Risk Assessment	100	III
Transit Ambassador/Fare Enforcement	300	I, II, III, IV
Transit Police Overtime and Compensated Time	50	III, IV
Travel Reimbursement	120	III, IV
Work Order Management	400	III, IV

**Greater Cleveland Regional Transit Authority
Internal Audit Department
2024 Internal Audit Plan**

Project	Budgeted Hours	Success Outcome(s)
<u>Railcar Replacement</u>		
Brookpark Track Construction	200	I, II, III
Railcar Infrastructure Modification Designs	200	I, II, III
- Brookpark Maintenance Facility Design	-	-
- Central Rail Maintenance Facility Design	-	-
- Rail Station Platform Design	-	-
Railcar Port Connection Construction	200	I, II, III
Railcar Replacement Contract	300	I, II, III, IV
Railcar Workforce Development	100	IV
<u>Information Technology Audits</u>		
Accrued Leave	240	III, IV
Change and Patch Management	200	III
Consolidated Train Dispatch System Replacement	200	I, II, IV
Cybersecurity Assessment	100	III, IV
Disaster Recovery	200	III
Firewall Replacement	100	III
Hastus Operator Performance Module	40	IV
Identity and Access Management	160	III, IV
IT Governance	40	III, IV
IT Project Management Process	300	III, IV
On-Route System Upgrade	40	I, II, IV
Riskmaster Upgrade/Interface	40	III
Trapeze PASS Upgrade	40	I, II, IV
<u>Continuous Audit</u>		
Accounts Payable	120	III
Nepotism	50	IV
Paratransit Eligibility/Certification	50	I, II, III
Payroll	50	III, IV
Purchasing Card Expense	50	III
Revenue Collection	50	III
Script Development	900	I, II, III, IV
<u>External Audits</u>		
Financial Audit Support	100	III
FTA Project Management Oversight	40	III
State Safety Oversight Triennial	40	II, III
System Security Plan	80	I, II

**Greater Cleveland Regional Transit Authority
Internal Audit Department
2024 Internal Audit Plan**

Project	Budgeted Hours	Success Outcome(s)
<u>Contract Audits</u>		
City of Shaker Heights Maintenance Expense	100	II, III
Hayden Roof Replacement	100	III, IV
Locomotive Replacement	60	II, IV
Paratransit Vehicle Replacement	40	I, II, III, IV
Supply Chain Contract Management	180	I, II, III
Tower City Portals Construction	300	I, II, III
Tower City Station - Common Area Maintenance	80	I, II, III
Vehicle Buy America	80	I, II, III, IV
Warrensville-Van Aken Rapid Station Construction	200	I, II, III
Waterfront Line Bridge Rehabilitation	80	I, II, III
West 25th Street Corridor BRT	100	I, II
Special Requests & Emerging Issues	2000	

Success Outcomes:

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**

The GCRTA Internal Audit 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 2024 INTERNAL AUDIT PLAN	Resolution No.: 2024-18
	Date: February 29, 2024
	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 Greater Cleveland Regional Transit Authority's ("Authority") 2024 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 2024 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 2024.
- 8.0 RECOMMENDATION: On February 21, 2024, the Audit, Safety Compliance and Real Estate Committee reviewed and discussed the 2024 Internal Audit Plan and referred it to the full Board. It is recommended that the resolution be adopted, approving the 2024 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