

RESOLUTION NO. 2023-17

APPROVING THE 2023 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, 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 Book 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 2023, 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 2023 Internal Audit Plan to the General Manager, CEO and executive management; and

WHEREAS, the Executive Director of Internal Audit hereby submits the 2023 Internal Audit Plan for approval by the Board of Trustees.

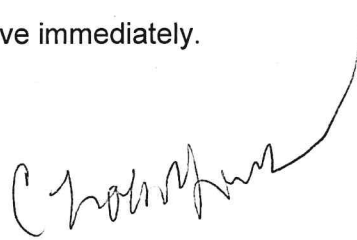
NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the 2023 Internal Audit Plan ("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, CEO and executive management of any significant interim changes to the 2023 Internal Audit Plan.

Section 2. That this resolution shall be effective immediately.

Attachment: 2023 Internal Audit Plan

Adopted: February 28, 2023



President

Attest: 
Secretary-Treasurer

2023 Internal Audit Plan

Project	Budgeted Hours	Success Outcome(s)
<u>Consulting Projects</u>		
Change Order Committee	40	III
Data Analytics	20	III
Hiring Practices	150	III, IV
Insurance Application Support	100	III
RFP/IFB Competitiveness	80	III
Third-Party Risk Assessment	240	III
<u>Internal Audits</u>		
Accident/Incident Training and Discipline Outcomes	160	III, IV
Bus Stop/Rail Station Signage	200	I, II
Capital Planning Funding Process	150	II, III
Claims Process	200	III, IV
Compensation Study Implementation	120	III, IV
Customer Communication - Service Interruptions	250	I
Customer Service Center - Tower City	40	I, II, III
Electronic Funds Transfer Approval Process	40	III
Engineering Project Controls & Project Support	300	III
FMLA - Payroll Compliance	200	III, IV
Healthcare - Employee & Dependent Eligibility	200	III, IV
Overtime	80	III, IV
Petty Cash	40	III
Physical Inventory	100	III
PTASP - Configuration Management	400	III
PTASP - Internal Safety Audit Program	200	I, II, III, IV
Rail Yard Operations	100	III
Records Retention	60	III
Service Quality Field Supervision	250	I
Shelter Maintenance	150	I, II
Telephone Information Center - Complaint Process	150	I
TRACTION Performance Measurement	250	I, II, III, IV
Transit Police Overtime and Compensated Time	200	III, IV
Travel Reimbursement	120	III
Work Order Management	1000	III
Workers Compensation Claims Review	40	III
<u>Continuous Auditing</u>		
Accounts Payable	40	II, III
Accounts Receivable	40	II, III
Nepotism	40	IV
Paratransit Eligibility/Certification	40	I, II
Payroll	40	III, IV
Purchasing Card Expense	40	III, IV
Revenue Collection	40	III
Script Development	840	I, II, III, IV
<u>External Audits</u>		
Federal Transit Administration - Triennial Review	100	II, III

2023 Internal Audit Plan

Financial Audit Support	160	II, III
System Security Plan	200	I, II
Project	Budgeted Hours	Success Outcome(s)
<u>Information Technology Audits</u>		
Access Management	120	III
Accrued Leave Reconciliation	160	III, IV
Change and Patch Management	100	III
Consolidated Train Dispatch System	150	I, III, IV
Cyber Liability Assessment	100	III, IV
Information Technology Governance	80	III, IV
Information Technology Security	100	III, IV
Maintenance-Management System Upgrade	100	III, IV
Operator Time & Attendance System Upgrade	100	III, IV
Oracle System Upgrade/Migration	100	III, IV
Transit Police Body Worn Cameras	200	I, II, IV
TransitMaster Input Controls	150	III, IV
TransitMaster System Upgrade	100	III, IV
<u>Revenue Collection Audits</u>		
Fare Media Inventory	40	I, III
Paratransit - Third-Party Revenue Collection	300	I, III
Special Events Collection	40	I, III
<u>Contract Audits</u>		
Central Facilities Contract Management	150	III
City of Shaker Heights Maintenance Expense	200	II, III
Common Area Maintenance - Tower City	40	I, II, III
Compressed Natural Gas Vehicle Replacement	100	I, II, III
FOP and ATU Contract Implementation	100	III, IV
Healthcare Claims Expense Review	40	III
Locomotive Purchase	40	III
Paratransit Vehicle Replacement	40	I, II, III
Rail Vehicle Replacement	500	I, II, III
Railcar Mover Purchase	40	III
Supply Chain Contract Management	150	III
Trunk Line Signal Project	100	II, III
Waterfront Line Bridge Rehabilitation	100	I, II, III
Special Requests & Emerging Issues	2000	
<u>Success Outcomes</u>		
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 Auditors Professional Standards – Planning 2010.



TITLE/DESCRIPTION: APPROVING THE 2023 INTERNAL AUDIT PLAN	Resolution No.: 2023-17
	Date: February 23, 2023
	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") 2023 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, 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 2023 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 2023.
- 8.0 RECOMMENDATION: On February 22, 2023, the Audit, Safety Compliance and Real Estate Committee reviewed and discussed the 2023 Internal Audit Plan and referred it to the full Board. It is recommended that the resolution be adopted, approving the 2023 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