

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

9:11 a.m. February 16, 2021

Committee Members: Moss (Chair) Lucas (Vice Chair), Joyce, Weiss

Other members: Bibb, Byrne, Clough, Serrano, Pellot

Not present: McCall

Also Present: Becker, Benford, Birdsong, Bitto, Burney, Caver, Coffey, Dangelo, Davidson, Fields, Garofoli, Gautam, Kirkland, Laule, Martin, Miller, Mothes, Peganoff, Petit, Schipper, Sutula, Talley

Ms. Moss called the meeting to order 9:11 a.m. The secretary called the roll and reported that four (4) committee members were present. This meeting was conducted by teleconference for members of the Board in accordance with Sub. H.B. 404 of the 133rd General Assembly, passed on November 19, 2020, House Bill 197 of the 133rd General Assembly, signed by the Governor of the State of Ohio on March 27, 2020 and the March 9, 2020 order of the Governor of the State of Ohio declaring a public health emergency. The meeting was live-streamed on RTA's Facebook page (www.facebook.com/rideRTA) for staff and members of the public.

Internal Audit Quarterly Report – 4th Q2020

Tony Garofoli, Executive Director of Internal Audit, gave the report. The report content is in the Introduction on pages 2-3. They continued some of their efforts to address the risks and activities brought on by the COVID-19 Pandemic during the 4th quarter. They are outlined on pages 8 and 9 of the report. It includes spot audits of bus, railcars and Paratransit vehicle disinfecting program. They completed the audits at each operating district after hours. Management had adequate supplies and they found no exceptions. They completed a Controls Audit of the CARES Act drawdown process. The Finance and Administration division has controls in place to comply with the CARES Act grant agreement. See the summary for other audit activities related to COVID. Pages 4-5 include their Risk Based Internal Audit plan approved by the Audit Committee at the Feb. 2020 Committee Meeting. Page 10-14 include six projects completed from their Risk Based Audit Plan. They include Travel Expense, Fare Collection, Scrap Metal Contract, Bus Purchase Order for 19 replacement CNG vehicles, Safety & Security Certification contract, Safety Department, required by the ODOT Oversight Rail Safety Program.

The Board adopted Resolution 2020-68 amending Chapter 840 of Commissions and Fare Structure of the Codified Rules and Regulations. Some of the changes address the results of the Fare Equity Study. Internal Audit recruited 20 RTA employees to form two-person audit teams. They worked with Service Management to develop linked trips. They road hundreds of buses, trains and Paratransit vehicles. They purchased fare media from vehicles, rail station machines, Customer Service Center, GCRTA website, Mobile Ticket application and sales agents throughout the County. They used the fare media to ride the service. No exceptions were noted. The prices were correct. All the fare worked as designed. They traced all of their purchases and use transactions into the respective fare collection systems without exceptions. They also traced the transactions into their books and into the bank. No exceptions were noted. They assigned staff to review every page of the GCRTA website. Management updated all of the content to reflect the changes in the Code. They have some audits planned in 2021 to continue their efforts.

Pages 15-18 includes the Continuous Auditing efforts. They are implementing Robotic Process Automation (RPA) audits, which is writing scripts to query and test their computerized systems on an ongoing base. The RPAs are designed to identity non-compliance, risk, errors, omissions and patterned

anomalies. Today they are running RPAs to address mission critical system risk, fare collection, purchasing cards, AP, AR, Paratransit eligibility, nepotism and fuel expenses. This is the future of Internal Auditing, utilizing technology to leverage the data in our computer systems. They will continue to build on this effort in 2021. See the report for more information. Pages 19-24 includes Work in Progress. Fifteen projects are in progress. They completed fieldwork for five of them. They will issue the final reports after meeting with management.

Under Special Request and Emerging Issues, they are in final negotiations with our insurance company on the compound drug fraud. They anticipate a settlement soon. The Board member healthcare claim is still under review. As far as the External Auditor Coordination and Review Teams, the State Auditor will begin the 2020 Fiscal Year End Single Audit next week. They are scheduled for an Entrance Conference with management and Finance and Administration Division. They will share their work to minimize duplication of efforts and provide greater risk coverage. They will report out to the Board in June 2021. The remainder of their report includes a status of outstanding follow-up, other projects they are working on throughout the quarter, including the Change Order Review Committee he sits on.

They have a few vacancies in their department. It includes the IT Specialist Auditor. They manage the audit scripts. They are working with HR to fill that position. Neletre Burts-Tolbert, his 25-year assistant announced her retirement. She will retire March 5, 2021. He wanted to recognize her and let the staff know she will missed. Ms. Moss expressed her appreciation for the work of his staff.

2021 Internal Audit Plan

Per their professional standards, they considered feedback from the Board, General Manager, CEO and the Executive Management Team and others. They engaged in the 5-step process including the identification of audit areas, establishment of risk based priorities, allocation of resources, development of an audit schedule and formulation of the Annual Plan. After they met with the GM, CEO and each member of EMT to review their business objectives and organizational goals, they aligned the plan with the GCRTA Strategic Plan and Success Outcomes. They will continue their COVID-19 activity until risk are low.

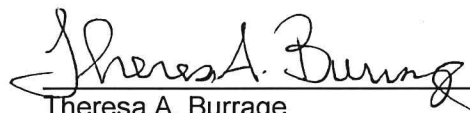
Presented on pages 6-7 are consultant projects. They will continue to build on the Continuous Auditing program, selected contracts for audit, work with outside auditors, IT audits, internal audits and revenue collection audits. He reserved 15-25% of the Audit Plan for Special Request and Emerging Issues. Ms. Moss added that Tony asked for audit suggestions at the beginning of the year. He is available to audit projects suggested by the Board. Mayor Clough thanked Tony and his staff for their dedication, effort and work over the years. There have been some challenging times, but they have performed well and we were able to move on past those issues. We would not have been able to do that without his staff. Rev. Lucas echoed his statement.

It was moved by Rev. Lucas, seconded by Mr. Joyce and approved to move this to the full Board.

This meeting was adjourned at 9:25 a.m.



Floun'say R. Caver, Ph.D.,
Interim Secretary/Treasurer



Theresa A. Burrage
Executive Secretary