

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

9:55 p.m. November 16, 2021

Committee Members: Moss (Chair), Koomar, McCall, Weiss

Other Board Members: Byrne, Duarte, Lucas, Pellot, Serrano **Not present:** Joyce

Staff: Benford, Birdsong, Caver, Dangelo, Freilich, Garofoli, Gautam, Johnson, Kirkland, Krecic, Miller, Mothes, Petit, Schipper, Sutula, Talley, Togher, Walker-Minor,

Public: Gibbons, Loh, Pinkney-Butts, Rodriquez

The meeting was called to order at 9:55 a.m. There were four (4) committee members present.

This meeting was live-streamed on RTA's Facebook page (www.facebook.com/rideRTA) for staff and members of the public. Members of the public were allowed to attend in-person.

Based on Centers for Disease Control (CDC) guidance to continue to avoid large events and gatherings and Ohio Department of Public Health advice that businesses and other entities may continue to require mitigation measures, as well as RTA's interest in protecting community and employee health and safety, several measures were put in place for in-person attendance, which are spelled out in the meeting notice.

Internal Audit 3rd Quarter Report

Tony Garofoli, Executive Director of Internal Audit, gave the update. He thanked his staff led by Anthony Ghanem who filled in for him when he was out earlier this year. On pages 4-5 is the approved IA Plan approved by the Audit Committee and Board in Feb. 2021. They executed the risk-based plan throughout the year. In addition to the Audit plan are special request. They continued to focus on the risk to the Authority brought on by the Pandemic. Page 6-8 are audits related to the Pandemic. They completed audits on grant drawdowns. The CARES act was fully drawn down. CRRSAA was fully drawn down. The American Rescue Plan is partially drawn down. Management internal controls are in place and working effectively to ensure compliance with grant requirements and allowable expenses. They suspended other projects due to a lack of staff resources. They will resume the projects after positions are filled assuming the risk still exist.

Pages 9-11 includes completed project. Travel Expense and Reimbursement is in compliance with policies and procedures. They completed the FTA post Buy America review for the 16, 5-door BRT coaches manufactured by New Flyer and approved by the Board. Management and the contract has complied with Buy America compliance. Three vehicles were transferred to operations. Operators are training with the vehicles. Page 10 are Operating Leases (20). They visited the properties, reviewed payments and receivables and reviewed the business objective. County records, payments and compliance was satisfactory. Thirteen issues were submitted to management for corrective action. They will monitor until closed. They completed an audit of the Close Circuit Camera system. This included a 100% review of all 1,073 cameras. They verified all the cameras are working as designed. They recorded six issues for management review including the back end computer system, which will reached its end of life in 2023. Currently management is considering options and will go through a procurement process to replace that. The last of the planned projects completed was a Facility Access Control Card system review. This included a 100% review of all active and deactivated employers and contractors. They found nine issues for management including some data clean up. Everything is satisfactory and working as designed.

Pages 12-15 is the Continuous Auditing Program where audit scripts are created to interrogate system data completing 100% audits of the transactions within those systems. Some of this work was suspended due to a lack of staff resources. They prioritize and executed the Fare Collection Script for the 1st-3rd quarters. The On Board system represents 94% of all fare collections. That system is working as designed. Customer credit card transactions posted to the revenue accounting records is without exception. They validated some immaterial differences found by management between the TVMs and the accounting records. The root causes are vendor programming known errors. Pages 16-23 are nineteen projects in progress in various stages. They added updates to provide readers transparency and information status. The sections include projects where field work is complete. They are waiting for management responses to release the report. There are projects they are actively completing and suspended projects due to lack of staff resources.

Pages 25-27 are Special Requests and Emerging Issues. They reserve 15% of their person hours for these items. They are working on four of these projects. Two are complete. They will meet with management and release the reports. The State Auditor will conduct the 2021 Financial Statement Single Audit. They will conduct interim work this month and scheduled to perform field work in February 2022. There are two external audits in process. Both are being done by FTA. First is a Triennial Review of the ODOT State Safety Oversight Program. The other is a review of the CARES Act and CRRSAA Stimulus grants.

The remainder of the report is informational. They participate in a number of steering committees and meetings to learn and share risk with management. P. 30 is the training staff attending during the quarter. They still have two vacancies. One goes back to last year. They are working with HR to fill the positions before the end of the year. They participated in the 2022 Budget Process. The draft budget includes their proposed Operating Budget. He thanked OMB and analyst for working with them. The budget supports their mission and business objective and is subject to the Board's review.

Ms. Moss thanked Tony and his staff for their work. Mr. Garofoli added that his department will enter into a Risk Assessment to develop their 2022 Internal Audit Plan. This includes soliciting feedback from the Audit Committee, Board and Executive Management Team. They will enter into a retreat after the assessment. They will draft an Audit Plan for 2022 and circulate that for some feedback from the CEO and Audit committee, which is subject to Board approval next year. It is National Fraud Awareness Week. He gave everyone a fraud hotline card. They will work with Marketing and the CEO to send out some videos to enhance awareness of fraud. The fraud hotline is confidential. Studies show that 43% of fraud is identified through tips. Ms. Moss said the committee is reviewing the IA charter to see if there are any improvements needed. They will meet on December 7, 2021. In 2022, The Audit Committee will be more active and reviewing reports outside of the regular committee meeting dates.

The meeting was adjourned at 10:09 a.m.



Rajan D. Gautam
Secretary/Treasurer



Theresa A. Burrage
Executive Assistant