

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

10:46 a.m. November 28, 2023

Committee Members: Koomar (Chair), Sleasman, Weiss

Other Board Members: Biasiotta, Love, Lucas, McPherson, Welch

Not present: Mersmann

Staff/Other: Birdsong Terry, Burney, Caver, Dangelo, Davidson, Feke, Fesler, Fleig, Freilich, Garofoli, Gautam, Harris, Johnson, Jones, Jupina, Kirkland, Marquit Renwald, Miller, Rusnov, Schipper, Smith, Stover, Sutula, Talley, Togher, Walker Minor, Woodford, Wright, Young, Zimmerman

Public: Brewington, Gibbons, Johnson, Loh, Meissner, Rubin, Sopko, Ware

The meeting was called to order at 10:46 a.m. There were three (3) committee members present.

Approval of August 15, 2023 minutes

It was moved and seconded to approve the minutes. They were approved.

Internal Audit 3rd Quarterly Report

The scheduled full Internal Audit Quarterly Committee meeting on Nov. 14 was postponed due to the length of that meeting. Today's update will be more high level. If the committee wants the extended update, they can let the Chair know.

Anthony Garofoli, Executive Director of Internal Audit introduced Steven Zimmerman, Internal Auditor Manager, who gave the presentation. Steven was recently promoted. Pages 3-5 have the 2023 Internal Audit plan approved at the March 2023 Board Meeting. The plan is aligned with RTA's Strategic Plan and Performance Metrics.

COMPLETED PROJECTS

Pages 6-8 are the results of four completed projects:

- Employee Travel Expense and Request
- Healthcare and Employee Dependent Eligibility
- Engineering Project Controls and Project Support
- Employee Hiring Practices

They met with management, obtained responses for recommendations, and released the reports. They will continue to follow up on all recommendations to ensure they are implemented through their Audit Management System. There are no issues for Board consideration.

CONTINUOUS AUDITING PROGRAM

Pages 9-13 are the results of the continuous auditing program where they develop audit scripts to interrogate system data in real time to provide 100% audits of the transactions. Those audits include:

- Fare Collection
- Purchasing Card Transactions
- Paratransit Certification Eligibility
- Nepotism

- Payroll

They shared the results with stakeholders and there are no issues for Board consideration.

RAILCAR REPLACEMENT PROGRAM

On pages 14-16 is a new report section focused on the Railcar Replacement Program per the request of the Audit Committee. They will include the results of audit activities related to the entire program with a focus on change orders and contractor payments. This section includes the contract where there will be updates on their activities related to monitoring contract compliance and management controls. The table which will hold the various change orders to be approved over the life of the contract. As of this report date, there are no approved change orders. There is a list of three potential change orders management is currently processing. Those include a contract option for six additional rail cars, spare parts including four rail car couplers and a no cost change in the rail car delivery schedule. They will also be sharing the financial payments made to the rail car contractor. There have been no payments made at this time.

The remainder of this section includes the various projects and initiatives that are in support of the rail car project. Currently they have highlighted two, related to FTA's Project Management Oversight. As additional initiatives begin such as rail car infrastructure modifications, those will fill out in this section of the report.

PROJECTS IN PROGRESS

On pages 17-25, are 20 projects in various stages of completion. These include projects where they have completed fieldwork and are waiting for management response prior to releasing the report. As well as projects that are still in progress. They will share the results of these projects at a future meeting.

SPECIAL REQUESTS/EMEGING ISSUES

On page 26 and 27, are details and results of four Special Request and Emerging Issues. They performed these projects in their role as Inspector General for the GCRTA. They include:

- Incompatible Employment
- Salary Non-bargaining Exempt Comp Time
- Mileage Reimbursement
- Transit Police Office of Professional Standards Internal Affairs Process for Investigations

They will share the results of these investigations with appropriate stakeholders in accordance with their audit charter. They will follow up on all outstanding recommendations.

EXTERNAL AUDIT COORDINATION

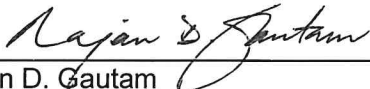
On page 28 is their external audit coordination. The State Auditor completed the 2022 Financial and Single Audit and shared the results with the Board in June. The State Auditor issued the final report on July 16, 2023. The Federal Transit Administration completed their triennial review during the first quarter to evaluate compliance, conformance and adherence to current FTA requirements and policies. The review examined 23 areas. The FTA released that report to management on August 7, 2023.

The remainder of the report is informational. They continue to follow up on all outstanding recommendations to validate the corrective action that has been implemented. They participate in various steering committees and meetings to ensure risk management strategies. Page 32 details the various training, staff attended. The IA staff profiles are on the last page.

Between now and the next meeting in February 2024, they will be developing their 2024 Risk Based Plan. They will seek input from staff and the Board on the plan. Mr. Garofoli read from their professional standards, RTA Bylaws and RTA Code Book related to the Board's approval of the IA Plan. And per the international standards, the requirements of the Chief Audit Executive to establish a Risk Based Plan in consultation with senior management and the Board.

Mayor Koomar mentioned there was an internal assessment conducted last year. The firm had questions about some Board policies which were tied to performance standards. Those are being reviewed nationally. As soon as they are completed, they will make sure we are in compliance with those requirements. This will more than likely happen in the 1st quarter of 2024.

The meeting was adjourned at 10:57 a.m.



Rajan D. Gautam
Secretary/Treasurer



Theresa A. Burrage
Executive Assistant

