



# Audit Committee Meeting

February 10, 2026

GCRTA Internal Audit Department

*“Conforms with the International Standards for the Professional Practice of Internal Auditing”*



# Agenda

- 2026 Proposed Risk-Based Internal Audit Plan
- Quality Assurance and Improvement Plan
- Railcar Replacement & Infrastructure Audit Activities
- Internal Audit Quarterly Report – 4th Quarter Activities

# 2026 Risk-Based Internal Audit Plan



# 2026 Proposed Audit Plan

## Purpose

Board Policy - Section 262.07 (a)(1) of the Internal Audit Charter requires the Executive Director to submit annually a risk-based Internal Audit plan.

### IIA Global Internal Audit Standards

**Standard 9.4 Internal Audit Plan** – The chief audit executive must create an internal audit plan that supports the achievement of the organization's objectives.

# 2026 Proposed Audit Plan

## Risk Assessment

Board Policy - 262.06 (a)(1) of the Internal Audit Charter:

Conduct an entity-wide Risk Assessment to prioritize risk and establish a list of auditable entities.

### IIA Global Internal Audit Standards

**Standard 9.4 Internal Audit Plan** - The chief audit executive must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks. The assessment must be performed at least annually.

# 2026 Proposed Audit Plan

## Methodology

1. Consider feedback from the Board, senior management, and line management to understand business objectives and risks to those objectives
2. Review the strategic plan, financial statements, operating and capital budgets, and other internal and external resources
3. Develop our risk universe of auditable entities, objectives, and risks
4. Score strategic risks against organizational objectives
5. Prioritize a list of potential projects to address strategic risk

### IIA Global Internal Audit Standards

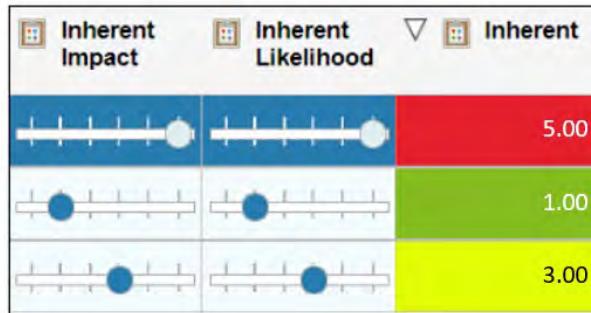
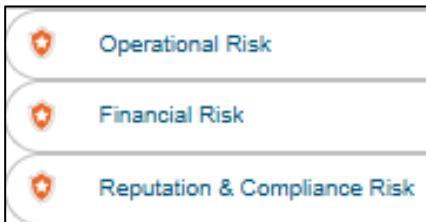
**Standard 9.4 Internal Audit Plan** – The assessment must be informed by input from the board and senior management, as well as the chief audit executive's understanding of the organization's Governance, Risk Management, and Control processes.

# 2026 Proposed Audit Plan



- **Objectives:** Organizational goals
- **Strategic Risks:** High-level risk assessed in all areas of the organization
- **Risks:** A factor that may affect the attainment of objectives
- **Controls:** Mitigate, prevent, transfer, or avoid risk

## Strategic Risks



## 2026 Internal Audit Assessment (Open)

 Greater Cleveland Regional Transit Authority	3.4619
 Board of Trustees	4.0000
 General Manager/CEO	3.4461
 Operations Division	3.6528
 Finance Division	3.7083
 Engineering and Project Development Division	3.5556
 Legal Affairs Division	2.7778
 Human Resources Division	3.6111
 Administration & External Affairs Division	2.5000
 Customer Experience and Performance Management	3.8333

## Risk Scoring

- Entity Scores are averaged based on the scores of their sub-entities
- Objectives and Risks populated at Department and Subgroup level
- Strategic Risk scored at Department level



# 2026 Proposed Audit Plan

## Result

- A list of eligible audits prioritized by risk rank is developed
- Hours are assigned to projects using a resource allocation model
- Projects are aligned with Audit Themes

### IIA Global Internal Audit Standards

**Standard 9.4 Internal Audit** – The chief audit executive must identify the necessary human, financial, and technical resources to complete the plan. Consider coverage of information technology governance, fraud risk, the effectiveness of the organization's compliance and ethics programs, and other high-risk areas.

# 2026 Proposed Audit Plan

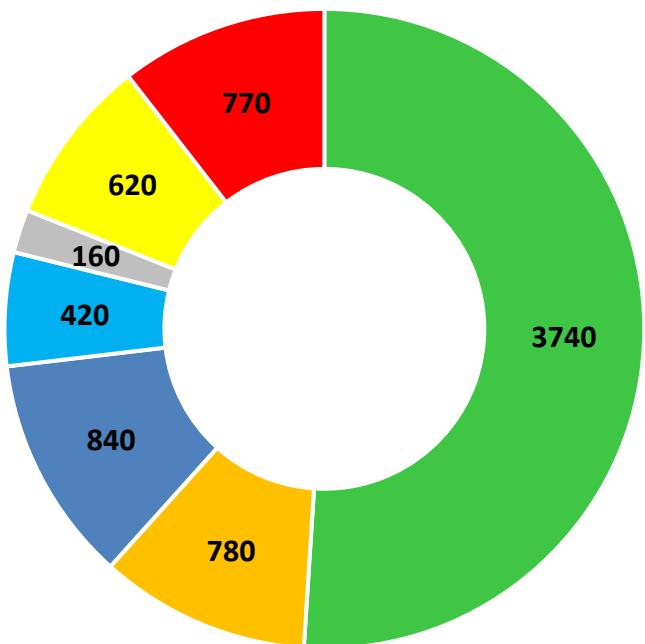
## Audit Themes

- Six audit themes continued for 2026
  - GCRTA's four Success Outcomes
  - Two high-risk areas:  
Configuration Management and IT governance

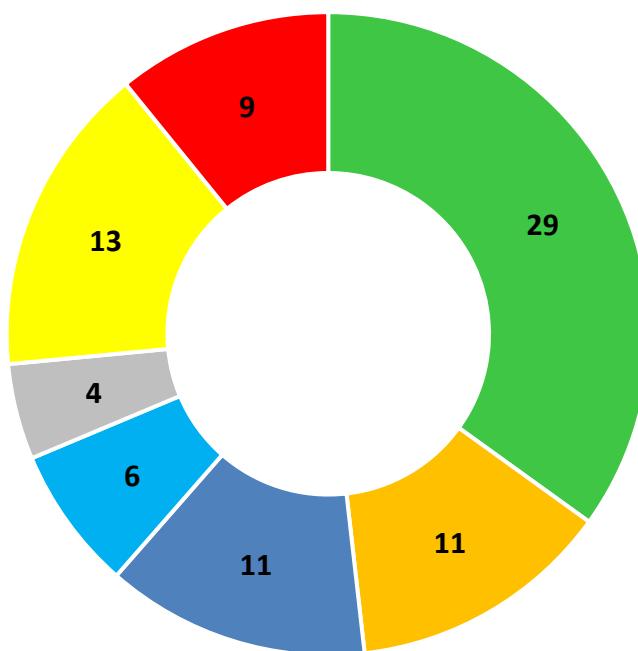
### IIA Global Internal Audit Standards

**Standard 11.3 Communicating Results** – The findings and conclusions of multiple engagements, when viewed holistically, may reveal patterns or trends, such as root causes. When the chief audit executive identifies themes related to the organization's governance, risk management, and control processes, the themes must be communicated timely, along with insights, advice, and/or conclusions, to the board and management.

**2026 Audit Plan Coverage  
by Hours Scheduled**



**2026 Audit Plan Coverage  
by Audits Scheduled**



■ Internal Audits

■ Contract Audits

■ IT Audits

■ Continuous  
Audits

■ External Audits

■ Advisory  
Engagements

■ Railcar Audits

Greater Cleveland Regional Transit Authority  
2026 Proposed Internal Audit Plan

Project

Advisory Projects

	Budgeted Hours	Audit Theme
Change Order Committee	40	Financial Health
CISA External Dependencies Management Assessment	40	IT Governance
Customer Service Center - Consignment Analysis	20	Financial Health
Data Analytics	40	Financial Health
Fraud Risk Assessment	80	Financial Health
Global Internal Audit Standards Implementation	40	Employee Investment
Healthcare RFP	20	Financial Health
Information Technology Risk Assessment	80	IT Governance
Insurance Application Support	20	Financial Health
Natural Gas and Electricity Supply RFPs	40	Financial Health
Non-Destination Riders Advisory	40	Customer Experience
Operating Budget Advisory	80	Financial Health
Third-Party Risk Assessment	80	Financial Health

Internal Audits

Accounts Payable*	40	Financial Health
ADA Stop Announcements*	40	Customer Experience
Blanket Purchase Agreements	160	Financial Health
Board Member & Employee Travel Expense Review	150	Financial Health
Business Process/Robotic Process Automation	200	Financial Health
CMSD Student Pass	200	Financial Health
CSU U-Pass	200	Financial Health
Customer Communication - Service Interruptions Follow-Up*	80	Customer Experience
Electronic Funds Transfer	80	Financial Health
Fare Collection*	80	Financial Health
Healthcare Claims Expense*	40	Financial Health
Independent Cost Estimates	160	Financial Health
Lost and Found Controls Review	120	Customer Experience
Nepotism File Audit*	40	Employee Investment
Non-Revenue Vehicles	200	Financial Health
Outage Scheduling*	120	Financial Health
Payroll Process	120	Financial Health
Physical Inventory	300	Financial Health
Power & Way Asset and Configuration Management*	160	Configuration Management
Predictive Maintenance*	160	Financial Health
PTASP - Hazard Log	120	Employee Investment
Purchasing Card Process*	120	Financial Health
Shelter Cleaning and Maintenance	140	Customer Experience
Skilled Labor Training	150	Employee Investment
System Security Plan - Spillman Upgrade	160	IT Governance
Ticket Vending Machine (TVM) Replacement	80	Financial Health
Transit Ambassador Follow-Up	120	Financial Health
Transit Police System Checks	120	Customer Experience
Travel Policy/Expenditures*	80	Financial Health

External Audits

Financial Audit Support	40	Financial Health
FTA Project Management Oversight	40	Financial Health
FTA Triennial	40	Financial Health
State Safety Oversight Support	40	Financial Health

Greater Cleveland Regional Transit Authority  
2026 Proposed Internal Audit Plan

Project

Railcar Replacement

66C Brookpark Shop and Yard Tracks*	40	Community Impact
66C2 Brookpark Rail Shop Modifications*	40	Community Impact
66D Central Rail New Railcar Modifications Design	80	Community Impact
Buy America - Line Car Pre-Award	40	Community Impact
Buy America - Locomotive Post-Delivery*	60	Financial Health
Buy America - Railcar Post-Delivery/Domestic Content Monitoring	120	Community Impact
Buy America - Regulator Pre-Award	40	Community Impact
Buy America - Tamper Pre-Award	40	Community Impact
Railcar Commissioning	200	Community Impact
Railcar Replacement Project Electro-Mechanic Training	150	Employee Investment

Information Technology Audits

Artificial Intelligence Policy	40	IT Governance
Off-Site Data Center Buildout	120	IT Governance
Change and Patch Management*	20	IT Governance
Cybersecurity	120	IT Governance
Fare Capping and Smart Card Implementation	160	Financial Health
Hastus Operator Performance Module*	20	Employee Investment
Identity and Access Management	40	IT Governance
IT Equipment Inventory*	40	IT Governance
Pass Upgrade/Mobility App*	80	Customer Experience
Swiftly Implementation	80	Customer Experience
Third-Party SOC Reports	120	IT Governance

Continuous Audit

Continuous Audit New Script Development	200	Various
Nepotism Script	50	Employee Investment
Paratransit Script	20	Financial Health
Payroll Script	50	Financial Health
Purchasing Script	50	Financial Health
Revenue Script	50	Financial Health

Contract Audits

12D Trunk Line Signal System Construction*	80	Community Impact
12H Consolidated Train Dispatch System*	80	Community Impact
23V4 Reconstruction of Shaker Square and Shaker Junction	80	Community Impact
24W Warrensville-Van Aken Station Reconstruction	80	Community Impact
24X E. 79th Light Rail Station Reconstruction	100	Community Impact
52N East Portal Construction*	80	Community Impact
60E E 120th Substation Construction*	100	Community Impact
Buy America - Articulated Coach Purchase Post-Delivery	60	Community Impact
Buy America - CNG Coach Purchase Pre-Award	40	Community Impact
Buy America - Paratransit Vehicle Purchase Pre-Award	40	Community Impact
Tower City Common Area Maintenance	40	Financial Health

Special Requests & Emerging Issues

1000

\* Denotes  
2025 Audit  
In Progress

# 2026 Proposed Audit Plan

## Request for Plan Approval

- Staff requests the Audit Committee recommend to the Board of Trustees the proposed 2026 audit plan for approval.

### IIA Global Internal Audit Standards

**Standard 9.4 Internal Audit Plan** - The chief audit executive must discuss the internal audit plan, including significant interim changes with the board and senior management. The plan and significant changes must be approved by the board.

# Quality Assurance and Improvement Program

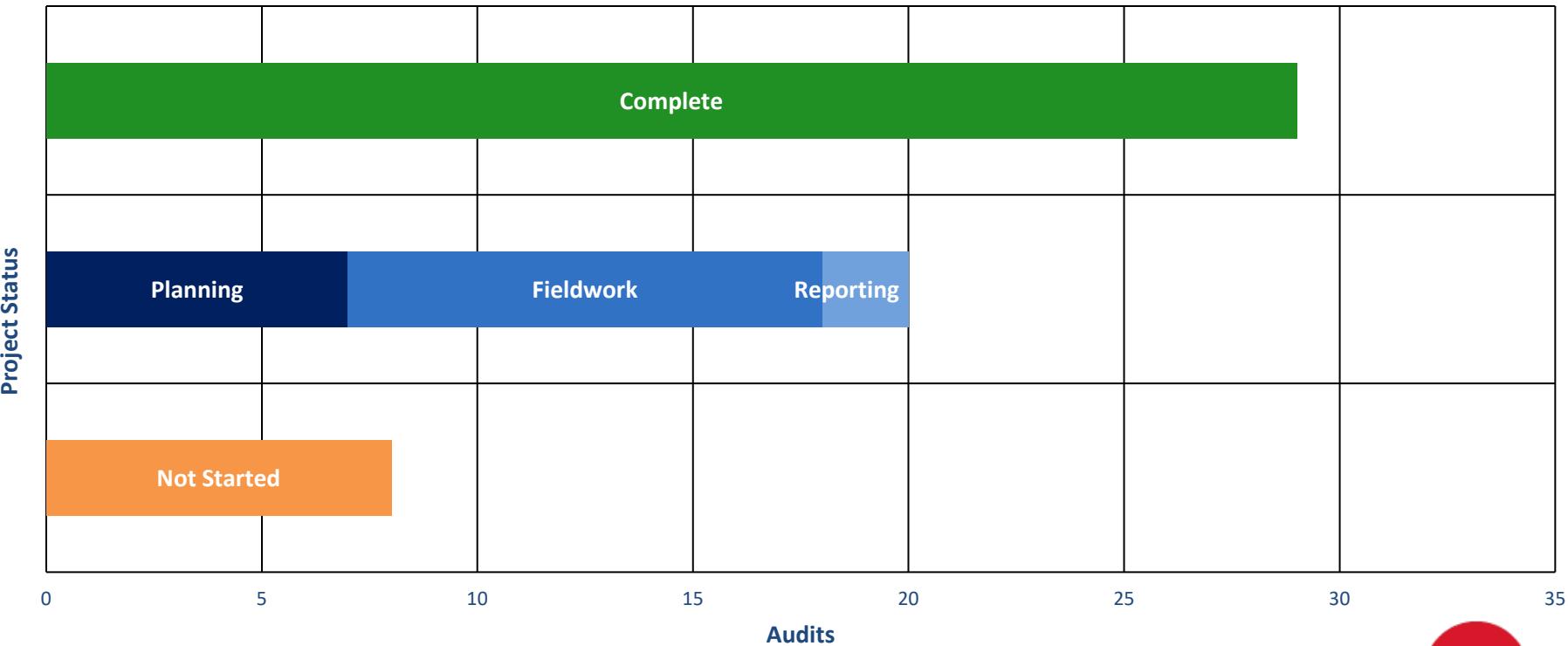


International  
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# Quality Assurance and Improvement Program

- A Quality Assurance and Improvement Program (QAIP) enables an evaluation of the internal audit activity's conformance with the Global Internal Audit Standards.
- The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

# 2025 Audit Plan Progress – 4th Quarter



**Greater Cleveland Regional Transit Authority**  
**Internal Audit Department**  
**Key Performance Indicators**  
**Audit Plan Year 2025**

Audit Delivery and Efficiency							
Area	Measure	Target	Actual				
			Q1	Q2	Q3	Q4	YTD
Delivering the Audit Plan	Audits completed / Audits planned	15%/30%/60%/90%	6%	18%	33%	53%	53%
Audit Schedule Adherence	Percentage of audits that are greater than 30 days past scheduled completion	< 20%	32%	25%	25%	33%	29%
Audit Report Timeliness	Average days from end of fieldwork to report publish date.	< 60 Days	120	108	77	87	95
Staff Development							
Area	Measure	Target	Actual				
			Q1	Q2	Q3	Q4	YTD
Training Hours	Number of training hours dedicated per staff per year	40 Hours Total	20	1	12	12	45
Certifications Achieved	Staff members with at least one active relevant professional certification	8 FTEs	5	6	6	6	6
Client Relations							
Area	Measure	Target	Actual				
			Q1	Q2	Q3	Q4	YTD
Client Satisfaction	Percentage of clients satisfied with audit services	> 80%	71%	100%	100%	100%	88%
Issue Tracking and Follow-up							
Area	Measure	Target	Actual				
			Q1	Q2	Q3	Q4	YTD
Status Updates	Average days since last status update for all open audit issues	< 60 Days	24	42	39	44	37
Issue Closure	Percentage of eligible issues closed	100%	80%	88%	93%	84%	86%

\*Audit Quarters for KPIs are based on the start of the Audit Plan year. Q1: March - May Q2: June - August Q3: September - November Q4: December - February

# Lessons Learned from KPI Tracking

- KPIs are our tool for continuous improvement
- In Quarter 3 we shared lessons learned
- In 2026 we will act on these lessons
  - Performance: What we do
  - Measurement: How we track



# IIA Internal Assessment 2025

- Research and Review to improve reporting, issue tracking, and follow-up.



# Revised Reporting Framework

## Automate Management Responses

- Audit management software integration
- Revised Administrative Procedure 008

## Enhanced Issue Tracking

- Monthly internal monitoring by age and progress with audit client
- Quarterly reconciliation with senior management
- Internal escalation procedure with GM/CEO

## Transparent Board Reporting

- Dashboard with delayed, priority, and high-risk implementations
- Recommendation implementation outcomes

# Railcar Replacement & Infrastructure Audit Activities

# Contract Compliance Audit

## Railcar Vehicle Replacement Program

**Objective:** Provide ongoing contract compliance assurance on program management and procurement activities and to complete necessary Buy America reviews.

**Scope:** Internal Audit will evaluate contract compliance and management controls.

**Update:** Management is tracking railcar assembly activities and is preparing for upcoming commissioning. First Article Inspections of full railcar assemblies are being scheduled.

# Siemens Mobility Contract Change Order Log

- **Original Contract Amount:**  
**\$163,920,115**
- **Vehicle Option Change Orders to date:**  
**\$179,798,016**
- **Additional Change Orders to date:**  
**\$671,718**
- **Total Contract Amount to date:**  
**\$344,389,850**

CHANGE ORDER No. 8 LOG						
CONTRACT NO. 2021-125						
RAILCAR REPLACEMENT PURCHASE						
Contract #2021-125				Contractor: <b>Siemens Mobility Inc.</b>		
Original Contract Amount			\$163,920,115.00		Total G.M./C.E.O. Authority Remaining \$ 5,516,005.42	
Total Change Order Amount To Date <u><a href="#">\$180,469,735.00</a></u>						
ITEM NO.	NOTE No.	APPROVAL DATE	CHANGE ORDER AMOUNT	APPROVAL AUTHORITY	NEW CONTRACT AMOUNT	
1	1	11-28-23	\$30,998,016.00	BOT	\$194,918,131.00	
2	2	12-5-23	\$510,888.00	\$5,989,112.00	\$195,429,019.00	
3	3	12-6-23	\$0.00	\$5,989,112.00	\$195,429,019.00	
4	4	3-29-24	\$108,916.54	\$5,880,195.46	\$195,537,935.54	
5	5	8-6-24	\$51,913.67	\$5,828,281.79	\$195,589,849.21	
6	6	12-13-24	\$112,800,000.79	BOT	\$308,389,850.00	
7	7	9-3-25	\$0.00	\$5,516,005.42	\$308,389,850.00	
8	8	9-23-25	\$36,000,000.00	BOT	\$344,389,850.00	
NOTES/CHANGE ORDER DESCRIPTION:						
CO No. 1 – Exercise 6 Vehicle Options						
CO No. 2 – 4 Additional Couplers						
CO No. 3 – Modification of SP-20B						
CO No. 4 – Smoke Detectors						
CO No. 5 – Additional Wheel Profiles						
CO No. 6 – 18 Option Vehicles, Spare Parts and Tools						
CO No. 7 – Delivery Schedule Spare Parts and Tools						
CO No. 8 – 6 Option Vehicles						

# Siemens Mobility Inc. - Payments

## GCRTA Financial Management System

RTA Set of Books:

Purchase Order – Railcar Replacement

- Purchase Order Line Items – totaling **\$344,389,850.00** (per board approval)
- **\$125,339,525.28** paid (as of 01/30/2026)
- **36%** of contract amount plus change orders is paid.

# Manufacturing Update



**#401 DITMCO  
Connection**



**#401 DITMCO Hi-Pot  
Testing**



**#401 DITMCO Hi-Pot  
Testing**

# Manufacturing Update



**#402 Bay 14**



**#402 A Cab Console  
installation**



**#402 A Cab Console  
installation**

# Manufacturing Update



**#403 A Windshield and Cab Slider Installation**



**#403 B Windshield and Cab Slider Installation**



**#5A Storage Awaiting Floor Panels**

# Railcar Replacement Program Contracts

Contract	Contract Amt	Expenditures	Change Orders
Hatch Engineering Consulting	\$5,936,923.21	\$4,029,515.90	2
K&J Safety and Security Consulting	\$517,024.02	\$281,962.50	2
66B Port Connector Track (Design)	\$78,130.00	\$77,739.78	0
66B Port Connector Track (Construction)	\$890,714.37	\$890,714.37	1
66C Brookpark Shop & Yard Tracks (Design)	\$80,250.00	\$45,088.36	1
66C Brookpark Shop & Yard Tracks (Construction)	\$3,003,045.36	\$1,853,188.34	10
66C2 Brookpark Rail Shop Modifications (Design)	\$283,739.00	\$214,865.00	0
66C2 Brookpark Rail Shop Modifications (Construction)	\$3,208,194.00	\$3,082,470.00	9

Yellow = Currently under audit

Green = Project Complete

# Railcar Replacement Program Contracts

Contract	Contract Amt	Expenditures	Change Orders
66D Central Rail Maintenance Modifications (Design)	\$590,762.24	\$477,404.51	2
66D Central Rail Maintenance Modifications (Construction)	\$9,505,365.00	\$0	0
66E1 Red Line Platform Mods (Design)	\$861,676.92	\$745,452.50	0
66E1 Red Line Platform Mods (Construction)	Pending Design	N/A	N/A
66E2 Light Rail Platform Mods (Design)	\$586,608.00	\$111,500.00	0
66E2 Light Rail Platform Mods (Construction)	Pending Design	N/A	N/A
24Y Superior, Cedar East, West Blvd, West Park Platform Replacement (Design)	\$746,188.98	\$35,690.22	0
24Y Superior, Cedar East, West Blvd, West Park Platform Replacement (Construction)	Pending Design	N/A	N/A

# Internal Audit Quarterly Report – 4th Quarter Activities

# Fourth Quarter Report

**Introduction**

**2025 Audit Plan**

**Completed Projects**

**Projects in Progress**

**Continuous Auditing**

**Special Requests and Emerging Issues**

**External Audit Coordination**

**Status of Outstanding Follow-up**

**Other Projects**

**Staff Training**

## IIA Global Internal Audit Standards

**Standard 11.3 Communicating Results** – The Chief Audit Executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.

# Completed Projects

## PTASP AP 016 – Safety Reviews

**Objective:** To assess how the Public Transportation Agency Safety Plan (PTASP) further defines roles and responsibilities associated with Administrative Procedure (AP) 016 safety reviews, to evaluate whether PTASP governance structures operationalize AP 016 requirements, to document how AP 016 safety reviews are initiated, tracked, and documented through PTASP-defined systems, and to provide examples of how AP 016 safety review responsibilities are embedded within PTASP-defined functions.

**Scope:** Safety reviews completed in 2025

**Audit Theme:** Configuration Management

**Results:** Satisfactory

# Completed Projects

## PTASP AP 016 – Safety Reviews

### Management Successful Practices:

- Development and use of a central repository for the asset and configuration management (ACM) and change control processes
- Tracking of safety reviews within the central repository

# Completed Projects

## PTASP AP 016 – Safety Reviews

### Recommendations:

- Document changes to training programs within the ACM Tracker to prompt safety reviews
- Create a standard operating procedure for safety review within the Safety Department

# Completed Projects

## 66B Port Connector Track

**Objective:** To provide assurance over the project management control environment for Project 66B using Internal Audit's construction audit program

**Scope:** Construction activities performed at Port of Cleveland

**Audit Theme:** Community Impact

**Results:** Satisfactory

# Completed Projects

## 66B Port Connector Track

### Management Successful Practices:

- Project management logs were updated and complete
- Change order was supported with appropriate documentation

# Completed Projects

## 66B Port Connector Track

### Recommendations:

- None

# Completed Projects

## In-Service Mechanical Failures

**Objective:** To provide assurance over the process to respond to in-service mechanical failures, including communication to customers, response and coordination by Service Quality, response by mobile equipment maintainers, and review of towing contract

**Scope:** Mechanical failures for GCRTA bus fleet

**Audit Theme:** Customer Experience

**Results:** Unsatisfactory

# Completed Projects

## In-Service Mechanical Failures

### Management Successful Practices:

- Dispatching assignments to mobile equipment maintainers

# Completed Projects

## In-Service Mechanical Failures

### Recommendations:

- Create Standard Operating Procedure for process
- Create checklist for response aligned with SOP; include confirmation of operator announcement to passengers
- Simulate in-service failures during operator training
- Evaluate work request and work order process for mobile truck operations
- Review questioned towing costs

# Completed Projects

## Cybersecurity and Infrastructure Security Agency (CISA) Assessment Follow-up

**Objective:** To assess the GCRTA's controls, processes, and overall capability to defend, mitigate, and recover from a potential cyber attacks.

**Scope:** CISA Cybersecurity Evaluation

**Audit Theme:** Cybersecurity

**Results:** Marginally Satisfactory

# Completed Projects

## **Cybersecurity and Infrastructure Security Agency (CISA) Assessment Follow-up**

### **Management Successful Practices:**

- Performance of cyber tabletop exercise
- Procurement of cyber liability insurance
- Vigilant response to potential incidents and vulnerabilities
- Creation of cybersecurity focused roles

# Completed Projects

## **Cybersecurity and Infrastructure Security Agency (CISA) Assessment Follow-up**

### **Recommendations:**

- Several recommendations were made by the CISA team to enhance our cybersecurity posture
- After all recommendations have been implemented, CISA will be engaged again for a new assessment topic

# Completed Projects

## GCRTA Travel and Expense Reimbursement

**Objective:** Review all trip reports and travel expense reimbursements for compliance with policy and procedures.

**Scope:** 100% of trips and expenses.

**Results:** Compliant with policy. All non-compliant trip reports are returned to travelers for correction and re-reviewed by Internal Audit prior to processing.

# Projects in Progress – Planning/Risk Assessment

Audit Title	Objective
Capital Improvement Planning Cycle	<p><b>*Note: We completed risk assessment and due to low risk, we will defer this audit engagement to prioritize high-risk engagements in 2026.*</b></p>
Configuration Management Follow-up	<p><b>*Audit Management is tracking implementation through participation on the ACM steering committee. A separate engagement will not be performed.*</b></p>
CSU U-Pass Program	<p>To evaluate agreement compliance for Cleveland State University Student “Universal Pass” program. <b>*Audit delayed: Plan to reengage in 2026*</b></p>
Outage Requests	<p>To provide assurance over the process to request, approve, and deliver track and power outages.</p>

# Projects in Progress – Planning/Risk Assessment

Audit Title	Objective
Physical Inventory	<b>*Management's system implementation challenges have been overcome and this audit will begin in 2026*</b>
Power & Way Asset & Configuration Mgt	To provide assurance over asset configuration, configuration management plan compliance, SOGR ratings, maintenance requirements and records, and preventative maintenance compliance.
Predictive Maintenance	To provide assurance over the predictive maintenance program, including compliance per fleet, quantifying cost reduction, and evaluate whether the program achieved projected cost savings.
Travel Policy/Expenditures	To assess compliance with AP 024 “Travel Requests”, the Board travel policy, and Ohio Ethic Commission guidance on travel.
Work Order Management	Evaluate how work orders are scheduled, completed, approved, closed, and quality assured. <b>*Delayed to perform fieldwork in tandem with Predictive Maintenance audit*</b>

# Projects in Progress - Fieldwork

Audit Title	Objective
<b>ADA Stop Announcements</b>	To evaluate GCRTA compliance with FTA requirements for ADA stop announcements for revenue vehicles.
<b>Accounts Payable</b>	To provide assurance over GCRTA's accounts payable controls, including segregation of duties, payment supporting documentation, timely payments, three-way match, and payment reconciliation.
<b>Customer Communications – Service Interruptions</b>	To evaluate GCRTA processes for communicating planned and unplanned service interruptions to customers.
<b>Fare Collection</b>	To provide assurance over the fare collection process, including front-line staff training, customer-facing information, equipment and processes for purchasing and validating fares, and controls to mitigate fare evasion.

# Projects in Progress - Fieldwork

Audit Title	Objective
<b>Fraud Risk Assessment</b>	An entity-wide risk assessment of fraud vulnerabilities and the controls in place to detect, prevent, and mitigate fraud.
<b>Healthcare Claims Expense</b>	To provide assurance that GCRTA's Third-Party Administrator (TPA) Anthem is processing medical claims according to GCRTA plan design and industry standards.
<b>IT Equipment Inventory</b>	To evaluate the governance of IT inventory throughout the lifecycle of end user equipment managed by the GCRTA Information Technology Department.
<b>IT Governance</b>	Internal Audit support for IT Council and implementation of IT Governance.
<b>Nepotism Self-Disclosure File Audit</b>	To evaluate controls for obtaining, recording, and storing self-disclosure forms, and to update reported relationships for our continuous audit script.

# Projects in Progress - Fieldwork

Audit Title	Objective
<b>Purchasing Card Process</b>	To provide assurance on the purchasing card program, including compliance with policies and procedures, controls for detecting and preventing fraud and misuse, and identifying opportunities for process improvement.
<b>Railcar Replacement Contract (Siemens)</b>	To provide ongoing contract compliance assurance on program management and procurement activities and to complete necessary Buy America reviews.
<b>Trapeze Pass Upgrade/Mobility App</b>	To evaluate the upgrade of the Trapeze PASS application and the future implementation of the Trapeze Pass mobile application.

# Projects in Progress - Reporting

Audit Title	Objective
<b>Change and Patch Management</b>	Perform a review of the IT change management process to provide assurance the process is controlled, monitored, and is compliant with industry best practices.
<b>Hastus Operator Performance Module</b>	To ensure the proper configuration and implementation of absence tracking and follow-up in the Employee Performance Management module in Hastus.

# Projects in Progress – Construction

Project Name	Audit Phase	Construction Budget w/ COs	Construction Target Completion Date
<b>12D Trunk Line Signals</b>	Risk Assessment	\$5,689,009.74	November 2026
<b>12H Consolidated Train Dispatch</b>	Fieldwork	\$4,110,154.00	May 2026
<b>52N East Portals</b>	Fieldwork	\$18,267,764.23	October 2026
<b>60E E.120th Substation</b>	Risk Assessment	\$7,194,208.00	March 2027
<b>66C Brookpark Yard and Track</b>	Fieldwork	\$3,003,045.36	February 2026
<b>66C2 Brookpark Rail Shop Mods</b>	Fieldwork	\$3,208,194.00	February 2026

# Projects in Progress – Buy America

Manufacturer	Vehicle Type	Location	Type	Audit Status
Geismar	(1) Locomotive	Beaufort, SC	Post-Delivery	In-progress
Siemens	(60) High-floor LRV	Sacramento, CA	Domestic Content Monitoring	To be scheduled
Endera	(19) Paratransit Coaches	Lima, OH	Post-Delivery	Complete
Gillig	(40) CNG Coaches	Livermore, CA	Post-Delivery	Complete
Knox-Kershaw	(1) Regulator	Montgomery, AL	Pre-Award	To be scheduled

# Continuous Auditing

A method utilizing a series of scripts to perform auditing activities on a more frequent basis to identify risks and any exceptions for investigation by appropriate staff and management.



# Continuous Auditing

Title	Objective	Frequency	Results
Nepotism	Evaluate employee relationships for non-compliance with GCRTA policy and code of ethics	Monthly	PASS
Purchasing Card	Evaluate P-Card transactions for compliance with the GCRTA Procurement Card Policy and for potential fraud, waste, and abuse.	Monthly	PASS
Payroll	Evaluate HR and Payroll information to identify the potential for fraud, waste, and abuse.	Monthly	PASS
Revenue Reconciliation	To evaluate and provide assurance customer fares collected from fare collections systems are reconciled, posted to accounting records, and deposited in the bank.	Monthly	PASS
Paratransit Customer Eligibility	Reconcile paratransit customer information to State of Ohio death records and evaluation the possibility for fraud, waste, and abuse.	Annually	Q1
D/G Fuel Expense	Reconcile payments made for fuel delivered against tax and contract rates.	Quarterly	Q1

# Continuous Auditing

## Updated, New, and In Development

Title	Objective	Status
Compensatory Time – Salaried Non-Exempt	Reconcile employee compensatory hours and earnings across timekeeping and payroll systems	EOY rerun: Suspended
Mobile Ticketing Reconciliation	Reconcile mobile fares collected to mobile fare contract	Finalization-Results Q1
Dependent Eligibility	Validation of all dependents covered by a GCRTA health benefits plan	2026
Ridership v. Collection	Analysis of fare collected vs ridership measured by Authority systems	2026
Dashboards	Development of dashboard for continuous audits for ease of sharing results	Ongoing

# Special Requests/Emerging Issues

## Internal Audit – Inspector General Duties

- Lost and Found
  - To evaluate whether the Lost and Found workflow for items on RTA property operates in compliance with Administrative Procedure No. 35 – Lost and Found on RTA Property, and to determine whether controls are adequately designed and operating effectively to ensure proper intake, safeguarding, documentation, retention, and disposition of lost and found items.

# External Audit Coordination

- State of Ohio Auditor 2025 Single Audit
  - Entrance Conference held 2/2/2026.
- State of Ohio Department of Transportation
  - State Safety Oversight Program
- Federal Transit Administration - Project Management Oversight – Railcar Replacement Program
- Federal Transit Administration Triennial

## IIA Global Internal Audit Standards

**Standard 9.5 Coordination and Reliance** – The chief audit executive must coordinate with internal and external providers of assurance services and consider reliance on their work.

# Status of Outstanding Follow-up

All audit results and recommendations are tracked and monitored in the Internal Audit - Audit Management System.

Upon verification, issues are closed.

## IIA Global Internal Audit Standards

**Standard 15.2 Confirming the Implementation of Recommendations or Action Plans –**  
Internal auditors must confirm that management has implemented internal auditors' recommendations or management's action plans.

# Healthcare Claims Co-Sourcing

- Validates claims accuracy, eligibility compliance, and adherence to benefit plan rules for medical, dental, and pharmacy programs
- Reconciles claims paid with funding transfers and verifies sampled claims against eligibility data
- Tests plan design and claims for correct adjudication, benefit limits, and errors such as duplicate payments
- Reviews administrative fees and ensures billing aligns with contract, credits, and rebates
- Reports findings with management response, recommending process improvements for future HR documentation and control

# Other Projects

## Others

- Fraud Hotline
- Information Technology Council
- Change Order Review Committee
- Railcar Replacement Steering Committee
- Executive Records Management Commission

# Staff Training

**Internal Audit Department staff received the following training during the 4th Quarter 2025:**

- December Meeting – NEO IIA
  - Cybersecurity: An Overview for Public Sector Agencies
- January Meeting – NEO ISACA
  - IIA Cybersecurity Topical Requirement
- February Meeting “Fraud Day” – NEO IIA/NEO ACFE
  - Forensic Accounting
  - Healthcare Fraud Analytics
  - Consumer Scams
  - Enron Whistleblower and Ethical Leadership
  - Financial Crimes

# Questions & Feedback

