



GREATER CLEVELAND  
REGIONAL TRANSIT  
AUTHORITY

INTERNAL AUDIT  
QUARTERLY REPORT  
Third Quarter - 2015

November, 2015

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GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT  
JULY 1, 2015 THROUGH SEPTEMBER 30, 2015

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INTRODUCTION

Presented herein and in accordance with Board Policy is the report of the Internal Audit Department activities for the Third Quarter 2015. The report outlines work performed, recommendations and management's responses, including specific steps for the implementation of all agreed-upon recommendations and other pertinent data.

The Internal Audit Department is an independent appraisal function established within the Authority to examine and evaluate its activities as a service to the Board of Trustees and management. The objective is to assist management in the effective discharge of their responsibilities. To this end, Internal Audit furnishes management with analyses, appraisals, recommendations, counsel and information concerning the activities reviewed. The audit objective includes promoting effective control at reasonable cost.

The Internal Audit Department will respond to the Board of Trustee requests for audit services in a timely manner. Please contact me at (216) 566-5064 to service your requests.



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Anthony A. Garofoli  
Executive Director of Internal Audit

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<b>2015 INTERNAL AUDIT PLAN</b>
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**Contract Audits**

Clifton Boulevard Transportation Enhancement Project  
University-Cedar Rapid Transit Station Rehabilitation  
Brookpark Rapid Transit Station Rehabilitation  
Cleveland Metropolitan School District - Student Transportation Agreement  
Compressed Natural Gas Fueling Station  
Electric Motor Maintenance  
Fare Collection Systems  
Elevator/Escalator Maintenance  
Little Italy-University Circle Rapid Station  
Magnetic Fare Media Cards  
Marketing/Advertising Consultant  
Supplemental Paratransit Services  
Tire Lease/Services  
Tower City Escalator Replacement  
U-Pass Programs (CSU, CWRU, CCC)  
Tower City Maintenance Agreement  
Vehicle Purchases  
Vehicle Towing

**Internal Audits**

Customer Service Center Operations  
Employee Compensation  
Rail Operator Signal Adherence  
Employee Termination Process  
Employee Claims  
Employee Hiring Practices  
Petty Cash  
Radio System – Covert Alarms  
Succession Planning – Process Mapping  
Employee/Contractor Identification Program  
Rail District Equipment/Facility Maintenance  
Access Control - Facilities  
Transit Police Compensation Time  
Purchasing Card  
Safety Sensitive – Drug and Alcohol Program  
Travel Expense Reimbursement  
Vehicle Maintenance & Warranty Program

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2015 INTERNAL AUDIT PLAN

**Information Technology Audits**

Information Technology Security  
Paratransit Schedule Adherence  
Claims System Implementation  
Information Technology Risk Assessment  
Disaster Recovery – Mission Critical Systems  
Health Care Claims  
Oracle User Productivity Kit  
Consolidated Train Dispatch System  
Cell Phone Use

**Continuous Auditing Program - \***

Absence Control  
Accounts Payable  
Accounts Receivable  
Fuel Expense  
Inventory Management  
Payroll  
Revenue Collection

**External Audits**

Ohio Department of Transportation  
Federal Transit Administration  
State of Ohio – Office of the Auditor  
US Department of Homeland Security

**Revenue Audits**

Fare Enforcement/Proof-of-Payment  
Lease Revenue  
Farebox Maintenance/Defect Reporting  
Special Event Collections  
Ticket/Pass Customer Refunds  
Ticket/Pass Inventory

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**2015 INTERNAL AUDIT PLAN**

Staff Training

Audit Recommendation Follow-up

15% of budgeted hours will be reserved for Special Requests and/or Emerging Issues

\*\*Continuous Auditing is achieved through the use of audit software tools to assure the internal control system is functioning to detect fraud, errors and waste.

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<b>COMPLETED PROJECTS</b>
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**GCRTA Employee Travel & Expense Account Reimbursements**

Purpose:

The Internal Audit Department reviews all employee travel expenses to ensure they are properly approved and are reimbursed in accordance with the Authority's policies and procedures.

Scope:

Internal Audit reviewed all requests for employee travel expense reimbursements for the period July 1, 2015 through September 30, 2015 prior to cash disbursement. The review included tests for allowability, reasonableness and timeliness.

Results:

All requests were reviewed and, if necessary, adjusted to comply with applicable policies and procedures.

**Vehicle Purchases**

- (Board Resolution 2013-110 - Gillig, LLC)
- (Board Resolution 2014-111 - Gillig, LLC)
- (Board Resolution 2015-048 - Gillig, LLC)
- (Board Resolution 2015-060 - Gillig, LLC)

Purpose:

Contract 2013-100 was authorized to manufacture and deliver up to (240) 40 foot Compressed Natural Gas (CNG) buses, training, tooling and spare parts. The first order was placed with the contractor to deliver (60) buses.

Contract 2013-100 was authorized to manufacture and deliver up to (240) 40 foot Compressed Natural Gas (CNG) buses, training, tooling and spare parts. The second order was placed with the contractor to deliver (30) buses.

Contract 2014-170 was authorized to manufacture and deliver up to (8) 35 foot trolley replica coaches, training, tooling and spare parts.

Contract 2015-048 was authorized to manufacture and deliver up to (4) 35 foot trolley replica coaches, training, tooling and spare parts.

The Federal Transit Administration obligates federal funds to the GCRTA for purchasing buses to carry passengers in mass transit service. Recipients of these funds must comply with several federal regulations, one of which is the Pre-Award and Post Delivery Rule.

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<b>COMPLETED PROJECTS</b>
---------------------------

Scope:

Audit Staff completed the applicable Buy America Review, required by Federal Transit Administration.

Results:

(60) Bus Order: Audit staff completed Post-Delivery Review. This included an on-site review of contractor records, toured the manufacturer's final assembly plant, inspected the vehicles and reviewed GCRTA records. Both the contractor and GCRTA management complied with federal regulations. Considering this result, GCRTA management transferred title and can place the vehicles in revenue service.

(30) Bus Order: Audit staff completed Post-Delivery Review. This included an on-site review of contractor records, toured the manufacturer's final assembly plant, inspected the vehicles and reviewed GCRTA records. Both the contractor and GCRTA management complied with federal regulations. Considering this result, GCRTA management transferred title and can place the vehicles in revenue service. (Vehicles 3381-90 were received, audited and certified compliant 10/30/15).

(12) Trolley Bus Order(s): Audit staff completed the Pre-Award Review. Considering this result, GCRTA issued Notice to Proceed to the contractor to build the vehicles.

**Farebox – Change Cards**

(GCRTA Administrative Procedure – 036)

Purpose:

When a customer overpays a cash fare and requests a cash refund, Operators and Station Attendants are to inform the customer that RTA is an Exact Fare system and cash refunds are only made for the amount of \$5.00 or more as a courtesy. The farebox includes a feature to issue a "change card" to the customer. Change cards must be presented to GCRTA Customer Service for validation to process the refund.

Internal Audit identified an increase in the volume of change cards issued.

Scope:

Internal Audit evaluated the system features and operational controls for compliance with the Administrative Procedure. The audit included procedures to evaluate fraud, waste and/or abuse.



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COMPLETED PROJECTS

Results:

Based on interview findings, a usage study was completed for the previous 12 months (July 2014-June 2015) to evaluate fraud, waste and/or abuse. Analysis concluded there does not appear to be any trends or patterns in change card issuance. The increase in volume appears to be due to adoption to the policy through public and operator awareness.

Other observations were noted to enhance the fare system control environment. Recommendations were issued to management. Internal Audit will follow-up on outstanding recommendations through implementation.

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<b>PROJECT IN PROGRESS</b>
----------------------------

**Little-Italy Mayfield Road Rapid Transit Station**

(Board Resolution - 2008-099 - City Architecture - Design)

(Board Resolution - 2013-089 - McTech Corporation)

Purpose:

Contracts 2008-109 and 2013-131 were authorized for the planning, design and construction of the Little-Italy Mayfield Road Rapid Station.

Scope:

Internal Audit will evaluate contract compliance.

Update:

Audit staff conducts a weekly walk-through of the construction site, attends the weekly progress meetings and monitors progress and change order activity.

This project is nearing final completion, a "punch-list" was developed. Staff will monitor this project through the close-out phase.

**Clifton Boulevard Enhancement Project**

(Board Resolution – 2009 - 094 – Richard L. Bowen and Associates, Inc. - Design)

(Board Resolution - 2013-079 – Perk Company, Inc. - Construction)

Purpose:

Contracts 2009-120 and 2013-123 were authorized for the planning, design and construction of the Clifton Boulevard Enhancement Project.

Scope:

Internal Audit will evaluate contract compliance.

Update:

Audit staff conducts a weekly walk-through of the construction site, attends the weekly progress meetings and monitors progress and change order activity.

This project is nearing final completion, a "punch-list" was developed. Staff will monitor this project through the close-out phase.

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<b>PROJECT IN PROGRESS</b>
----------------------------

**Health Care Benefits - Claims Audit**

(Board Resolution – 2010-081 - Medical Mutual of Ohio)

(Board Resolution – 2011-094 - Caremark PCS Health, LLC (Caremark))

(Board Resolution – 2010-083 - MetLife Securities, Inc.)

Purpose:

GCRTA employee health care benefits expense totals approximately \$20,000,000 annually. The Board of Trustees authorized:

Contract No. 2010-72A with Medical Mutual of Ohio to provide medical plan insurance coverage;

Contract No. 2011-108 with Caremark PCS Health, LLC (Caremark) to provide a managed prescription drugs benefit program; and

Contract No. 2010-72C with MetLife Securities, Inc. to provide dental insurance coverage

Scope:

Internal Audit will perform a healthcare claims audit to evaluate third-party administrator compliance with respective plan designs and contract terms and conditions for the period January 1, 2012 through December 31, 2014.

Update:

Field work is complete for the period January 1, 2012 through December 31, 2013. The audit identified several issues to discuss with the respective third-party administrators. We engaged an audit consultant to co-source this work.

Contract provisions require us to complete the 2-year audit before we can analyze the 2014 calendar year claims.

**Central Bus Maintenance Facility – ISO 14001 Certification**

Purpose:

The ISO 14001 standard represents a core set of standards used by organizations for designing and implementing an effective Environmental Management System (EMS).

Management is engaged in an effort to seek certification for the Central Bus Maintenance Facility. This includes documented sustainable and environmental

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<b>PROJECT IN PROGRESS</b>
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processes for the use and/or disposal of certain elements such as rags, scrap metals, waste oil and other elements.  
The standards include an internal audit component to evaluate compliance.

Scope:

Audit staff will develop an audit program to evaluate compliance with established processes. We will support the certification oversight and management teams to attain the objective.

**Information Technology Security**

Purpose:

Management relies on data from a variety of business and intelligent transportation systems. Audit staff will evaluate controls over user access to GCRTA mission critical systems.

Scope:

The scope of the audit is to evaluate whether user access to GCRTA's network, applications and data is adequately controlled, including the process for granting, maintaining and removing such access. We will also evaluate administrator rights, password management and policy awareness.

**Fare Enforcement – Proof of Payment System – Adult Administrative Fee  
(Board Resolution 2011-081)**

Purpose:

Reconcile the Administrative Fee data, entered into the Transit Police System, with City of Cleveland Clerk of Court records to provide assurance that paid (citations) are not subject to Municipal Court actions.

Scope:

All citations issued between the periods September 1, 2013 through January 31, 2015.

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<b>PROJECT IN PROGRESS</b>
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**Rail Car Electric Motor Repair**

(Board Resolution 2014-007 – Sherwood Electromotion Incorporated)  
(Board Resolution 2014-008 – RAM Industrial Services, LLC)

Purpose:

Contracts 2013-185A and 2013-185B were authorized for the rebuilding of rapid transit electrical motors.

Scope:

Audit Staff will evaluate compliance with the respective contract terms and conditions

**Vehicle Purchases**

(Board Resolution 2013-110 - Gillig, LLC)  
(Board Resolution 2014-111 - Gillig, LLC)  
(Board Resolution 2015-048 - Gillig, LLC)

Purpose:

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Scope:

Audit Staff will complete the applicable Buy America Review, required by Federal Transit Administration

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**Railcar Movements and Repair**

Purpose:

The Federal Transit Administration created a state-managed oversight program to improve rail transit safety and security. The Ohio Department of Transportation administers the program.

The Internal Audit Department and the Safety Department conduct a program of annual audits of the Authority's System and Security Plans to evaluate operational compliance as well as to measure the effectiveness of the respective programs.

Scope:

Internal Audit developed a plan to evaluate:

- Control Center directed train movements
- Pre & Post Trip railcar inspections
- Defect Reporting
- Yard Control
- Vehicle Maintenance
- Inventory Management

**GCRTA – Cleveland State University Student Universal Access Fare Program  
(U-Pass Program)**

(Board Resolution 2004-001)

Purpose:

The GCRTA entered into an agreement to provide prepaid and universal access to public transportation services. Each full time student pays a flat fee per semester and is able to ride GCRTA services on an unlimited basis during the semester.

Scope:

Internal Audit will evaluate compliance with the agreement.

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<b>PROJECT IN PROGRESS</b>
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**GCRTA – Case Western Reserve University Student Universal Access Fare Program (U-Pass Program)**  
(Board Resolution 2008-127)

Purpose:

The GCRTA entered into an agreement to provide prepaid and universal access to public transportation services. Each full time student pays a flat fee per semester and is able to ride GCRTA services on an unlimited basis during the semester.

Scope:

Internal Audit will evaluate compliance with the agreement.

**GCRTA – Cuyahoga Community College Student Universal Access Fare Program (U-Pass Program)**  
(Board Resolution 2015-62)

Purpose:

The GCRTA entered into an agreement to provide prepaid and universal access to public transportation services. GCRTA and CCC agreed upon a semester rate, with an escalation clause through 2021. Students are able to ride GCRTA services on an unlimited basis during the semester.

Scope:

Internal Audit will evaluate compliance with the agreement.

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PROJECT IN PROGRESS

**Continuous Auditing**

Purpose:

Continuous Auditing defines the technologies and processes that allow an on-going review and analysis of business information on a real time basis. Internal Audit will monitor specific information electronically and incorporate the use of intelligent agents, computer modeling and other software tools. Continuous auditing will give end users of information more timely assurance that information is correct and may eventually lead to continuous reporting where business information is updated and published as events occur.

Scope:

The General Manager identified and monitors "Key Performance Indicators." These include Revenue and Absence Control. Internal Audit will assist management to develop continuous "monitoring" queries to provide management "real time" information to meet organizational goals. Internal Audit will develop continuous "auditing" queries to test for compliance and control risk.



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<b>SPECIAL REQUESTS AND EMERGING ISSUES</b>
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**Investigation of Transit Police Incident (15-1676)**

Purpose:

The President of the Board of Trustees, General Manager/CEO and General Counsel of the Greater Cleveland Regional Transit Authority requested the Internal Audit Department conduct an independent special investigation of the Transit Police incident that occurred on July 26, 2015 and to evaluate the actions of the officers involved in the incident.

Scope:

The scope and objectives of the investigation were provided to Internal Audit:

1. Was the handling of the intoxicated child by Transit Police proper?
2. Was the use of pepper spray proper in this situation?
3. Was the use of pepper spray consistent with RTA Transit Police Policies and Procedures?
4. Are the RTA Transit Police Policies and Procedures proper?
5. Is Transit Police training appropriate?
6. Is discipline or retraining appropriate for Sgt. Schwab, and/or others in this situation, and if so, at what level?

Results:

Internal Audit developed a multi-media presentation (report) to share the results of the investigation at the September 15, 2015 Board of Trustee, Safety & Security Committee Meeting. The report highlights the key actions and events. The report is the result of an exhaustive compilation of available internal and external multimedia sources, so as to guarantee transparency of the facts and analysis.

The report is available for viewing on the following website:

[http://www.cleveland.com/metro/index.ssf/2015/09/cleveland\\_rta\\_police\\_officers.html#in-cart\\_m-rpt-1](http://www.cleveland.com/metro/index.ssf/2015/09/cleveland_rta_police_officers.html#in-cart_m-rpt-1)

(8) Recommendations were issued to Transit Police management, related to observations made during the investigation. Transit Police management accepted the recommendations and is taking corrective actions to implement them. Internal Audit will follow-up on outstanding recommendations through implementation.

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<b>SPECIAL REQUESTS AND EMERGING ISSUES</b>
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**Employee Conduct Investigation**

Purpose:

The Deputy General Manager of Human Resources requested a special investigation of an August 2015 employee conduct incident reported by a Safety Department employee.

Scope:

Internal Audit staff viewed closed-circuit camera video, interviewed employees, inspected equipment and reviewed applicable GCRTA policies and procedures.

Results:

We found employee non-compliance with GCRTA Code of Conduct and the Employee Performance Code. GCRTA implemented the recommendations provided in the investigative report.

Other observations resulted in additional management recommendations. Management accepted the recommendations; Internal Audit will follow-up on outstanding recommendations through implementation.

**Paratransit Operations**

Purpose:

The Paratransit District Director requested a special audit of Paratransit operations.

Scope:

Internal Audit is evaluating the Paratransit Dispatch Office activities. These activities include:

- Timekeeping
- Scheduling
- Operator Supervision

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SPECIAL REQUESTS AND EMERGING ISSUES

**Employee Vacation Account Balances**

Purpose:

The Human Resources Information System Manager requested a special audit to review employee vacation accounts. She identified unreconciled differences between the payroll system balances and the time & attendance capturing system balances.

Scope:

Internal Audit will evaluate the employee accounts, system control risks and root causes to determine the scope for audit. Staff will re-calculate account balances and recommend adjustments for management consideration.

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<b>EXTERNAL AUDIT COORDINATION AND FOLLOW-UP</b>
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The International Standards for the Professional Practice of Internal Audit provides:

- 2050 – *Coordination:*
  - *“The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.*”

The following Federal and State Agencies performed audits and reviews of the Authority's policies and records during the Third Quarter 2015:

- State of Ohio – Office of the Auditor
  - The State of Ohio – Office of the Auditor is on site to conduct interim work for the 2015 Financial/Single Audit.
  
- State of Ohio – Ohio Department of Transportation (ODOT)
  - ODOT selected a consultant, Battelle Inc., to act as the Program Manager for Rail Safety and Security Audits.
  - Internal Audit will work with GCRTA Safety to perform the audits as required by ODOT.
  - The Consultant meets with GCRTA Management on a Quarterly basis to review and follow-up on outstanding corrective action.

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<b>STATUS OF OUTSTANDING FOLLOW-UP</b>
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The International Standards for the Professional Practice of Internal Audit provides:

- 2500 – Monitoring Progress
  - “The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.”
  - “The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.”

**(See the Recommendation Implementation Tracking Report on the next 2 pages)**

The report is generated from the GCRTA Internal Audit Department audit management system (TeamMate). All outstanding issues and recommendations from internal and external audits and reviews are tracked within the application module (TeamCentral).

Audit staff is directed to follow-up with management to evaluate actions have been effectively implemented.

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**STATUS OF OUTSTANDING FOLLOW-UP**

Recommendation Implementation Tracking

Recommendation	Status	Work Code	Issue	Issue Type	Priority	Original Date	Revised Date	Revised Date	Owner	Entity
<u>Documentation Standards</u>	Started	2013 - IA - 13 - Rail District Maintenance Program	Missing Maintenance Management System Supporting Documentation J. Simpson Cell Phone - Recovery of Personal Call Expenses	Reportable Condition		8/31/2014	12/31/2015		Fedikovich, John	Rail District Maintenance Program
<u>J. Simpson Cell Phone - Recovery of Personal Call Expenses</u>	Started	2014 - SP - 12 - Cell Phone Use - Rail - Power & Way Management	Phone - Recovery of Personal Call Expenses	Compliance	Low Priority	2/13/2015	10/20/2015		Gutam, Rajan	Rail District
<u>Human Resource - I-Recruitment System Malfunction</u>	Started	2015 - Open Issues - Open Issues	Human Resource - I-Recruitment System Malfunction	Reportable Condition	High Priority	6/30/2015	3/31/2016		Lyde, Casandra	Greater Cleveland Regional Transit Authority
<u>Fill Vacant Transit Police Commander Positions</u>	Started	2015 - SP - 06 - Transit Police - 07/28/15 Incident Handling - Special Investigation	Vacant Transit Police Commander Positions	Material Weakness	High Priority	10/6/2015	12/31/2015		Joyce, John P.	Transit Police
<u>Service Quality Department - Employee Performance Plans/Appraisals - Consideration for Positive Discipline</u>	Pending	2015 - SP - 07 - Special Investigation - University Circle Bus Loop - 091015	Service Quality Department - Employee Performance Plans/Appraisals Covert Alarm	Reportable Condition	High Priority	10/23/2015			York, Mike	Service Quality
<u>Covert Alarm Standard Operating Procedure</u>	Started	2015 - CA - 13 - Gillig CNG Bus Purchase	Standard Operating Procedure	Reportable Condition	High Priority	10/30/2015	11/30/2015		Lively, Michael	
<u>Audio Quality of Transit Police Dispatch</u>	Pending	2015 - SP - 06 - Transit Police - 07/28/15 Incident Handling - Special Investigation	Audio Quality of Transit Police Dispatch	Management Letter	Medium Priority	11/30/2015			Jordan, Quenton	Transit Police
<u>Tablet installation</u>	Started	2015 - SP - 06 - Transit Police - 07/28/15 Incident Handling - Special Investigation	Standard equipment for all TP vehicles	Management Letter	High Priority	12/31/2015			O'Neil, Sean	Transit Police
<u>TP Patrol/Supervisor Car Inventory/Monitoring</u>	Started	2015 - SP - 06 - Transit Police - 07/28/15 Incident Handling - Special Investigation	Standard equipment for all TP vehicles	Management Letter	High Priority	12/31/2015	12/31/2015		O'Neil, Sean	Transit Police
<u>Reevaluate Change Card configurations</u>	Pending	2015 - RA - 03 - Farebox Change Cards	Change Cards have embedded transfers	Reportable Condition	Medium Priority	12/31/2015			Uhas, Scott	Revenue
<u>Judgmental Training Simulator Plan</u>	Pending	2015 - SP - 08 - Transit Police - 07/28/15 Incident Handling - Special Investigation	Judgmental Training Simulator Plan	Management Letter	Medium Priority	12/31/2015			Gettings, Michael	Transit Police
<u>Control Center - Use of Headsets</u>	Pending	2015 - Open Issues - Open Issues	Control Center - Use of Headsets	Reportable Condition	Medium Priority	12/31/2015			Newell, Richard	Greater Cleveland Regional Transit Authority

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<u>Retrain Employees to Log into Farebox</u>	Pending	2015 - RA - 03 - Farebox Change Cards	Farebox Operator Login	Reportable Condition	Medium Priority	12/31/2015		Fields, George Barret, Sean	
<u>Clean up data and provide coaching</u>	Pending	2015 - RA - 03 - Farebox Change Cards	Farebox Data Corruption	Reportable Condition	Medium Priority	12/31/2015			
<u>Revenue Petty Cash Consignment</u>	Pending	2015 - RA - 03 - Farebox Change Cards	Revenue Petty Cash Consignment	Management Letter	Medium Priority	1/31/2016		Pumell, Cynthia	Revenue
<u>Upgrade the Fare Collection System</u>	Pending	2015 - RA - 03 - Farebox Change Cards	GFI software outdated	Reportable Condition	Medium Priority	1/31/2016		Goodwin, Wesley Fields, George	
<u>Lost Fare Media Claim Form</u>	Pending	2015 - RA - 03 - Farebox Change Cards	Lost Fare Media Claim Form	Reportable Condition	Medium Priority	1/31/2016			
<u>Use stored value function on Change Cards to issue refunds with no cash transfer</u>	Pending	2015 - RA - 03 - Farebox Change Cards	Change Card stored value function unused	Reportable Condition	Medium Priority	1/31/2016		Uhas, Scott	Revenue
<u>Transit Police - Training Record Maintenance</u>	Pending	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	Transit Police - Training Record Maintenance	Management Letter	Medium Priority	1/31/2016		Adkins, Brian	Transit Police
<u>General Police Orders Update</u>	Started	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	General Police Orders Update	Reportable Condition	Medium Priority	1/31/2016	1/31/2016	O'Neil, Sean	Transit Police
<u>Modernization of Control Center</u>	Pending	2015 - Open Issues - Open Issues	Modernization of Control Center	Reportable Condition	High Priority	2/29/2016		Newell, Richard	Greater Cleveland Regional Transit Authority
<u>Corrective action and Continuous Monitoring of System Timepoints</u>	Pending	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	Timepoint Coordination/Syncing	Management Letter	Medium Priority	2/29/2016		Brown, Charles	Transit Police
<u>Fare Collection Data/Systems Manager</u>	Pending	2015 - RA - 03 - Farebox Change Cards	Fare Collection Data/Systems Manager	Reportable Condition	Medium Priority	2/29/2016		Lively, Michael	

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<b>OTHER PROJECTS</b>
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**Fraud Hotline**

The GCRTA Fraud Hotline (216) 781-4080 is established to reduce and recover the loss of public funds from any acts of fraud, waste and/or abuse. GCRTA contracts include contact information and require contractors to call whenever they suspect an illegal act or an ethics violation. The Hotline is available to our employees and the public. Audit Staff will work closely with Management, Transit Police as well as law enforcement agencies, prosecutors, professional associations and the public to ensure GCRTA assets are safeguarded.

**Information Technology Steering Committee**

The Chief Information Officer chairs this committee. The purpose of this committee is to oversee, analyze and prioritize the overall technology needs of the Authority.

**Change Order Review Committee**

The General Manager/CEO created this committee to review potential contract change orders greater than (50) thousand dollars to validate the appropriateness of the request and to ensure appropriate Procurement and Project Management processes are adhered to. Internal Audit serves as a resource to the committee.

**System Security Program Planning Committee**

The Deputy General Manager of Operations created this committee. The purpose of this committee is to oversee, analyze, and prioritize the overall system security needs of the Authority. The Transit Police provide the agenda for the quarterly meetings.

**TransitStat**

The Executive Director of the Office of Management & Budget created this Program. The purpose of this Program is to provide management feedback and the resources to self-assess. The program is designed to improve the efficiency and effectiveness of management. Internal Audit serves as a panel member and a resource to management.

**Operator Bid Dispatch/Time & Attendance System Steering Committee**

The Deputy General Manager of Operations created this Steering Committee. The purpose of the Steering Committee is to participate in the planning and oversight for the Operator Bid Dispatch/Time & Attendance replacement system.



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<b>STAFF TRAINING</b>
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The following training was provided to Audit Staff during the Third Quarter 2015:

**GCRTA**

- Ohio Ethics Commission Training

**Northeast Ohio Internal Audit Local Chapter**

- Leading from the Front

**Northeast Ohio Association of Certified Fraud Examiners Local Chapter**

- Conducting Internal Investigations
- Ethics

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<b>STAFF PROFILES</b>
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<b>Anthony A. Garofoli</b> Executive Director of Internal Audit	Anthony joined the GCRTA on September 23, 1996. He earned his BBA in Accounting from Cleveland State University. Prior to joining the GCRTA, he worked 16 years in progressively responsible positions for the Office of the Auditor of the State of Ohio. His audit experience includes Financial Audits of State and Local Governmental Units, Fraud and Contract Compliance Audits. He has earned several certifications.
Senior Auditor	Vacant
<b>Bonson Yee</b> Information Technology Auditor	Bonson joined the GCRTA on September 6, 2005. He earned his BBA in Accounting from Cleveland State University. Bonson is a Certified Information Systems Auditor.
<b>Edward Gaio</b> Staff Auditor	Ed joined the GCRTA on February 21, 2006. He earned his BA in Criminal Justice and a BBA in Finance from Kent State University. Edward is a Certified Fraud Examiner.
<b>Anthony Ghanem</b> Staff Auditor	Anthony joined the GCRTA on June 4, 2012. He earned his BA in Economics and International Studies from Case Western Reserve University and his Master's Degree in Public Administration from Cleveland State University. He is a graduate of the GCRTA Management Development Program.
Staff Auditor	Vacant
<b>Neletre Burts-Tolbert</b> Secretary	Nell joined the GCRTA in 1990. In addition to her clerical and administrative responsibilities, she assists the Executive Director and Audit staff with a variety of specialized audit support services.
<b>Maria Shurik</b> Business Analyst	Maria joined the GCRTA on June 1, 2014. She earned a BA in Urban Studies and her Master's Degree in Public Administration from Cleveland State University. Maria was selected to participate in the GCRTA Management Development Program and is completing an Internal Audit Department rotational assignment for 4 months.
<b>Steven Zimmerman</b> Summer Intern	Steven joined the GCRTA on June 1, 2015. He earned a BS in Biology from Cleveland State University and his Master's Degree in City and Regional Planning from Rutgers University. He was selected to participate in the 2016 Management Development Program.
<b>Emilly Mokora</b> Summer Intern	Emilly joined the GCRTA on June 1, 2015. She earned her BSBA from Bowling Green State University, a Master's Degree in Business Administration and a Master's Degree in Accounting and Financial Information Systems from Cleveland State University.

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STAFF PROFILES

**Jose Feliciano Jr.**  
Business Analyst

Jose joined the GCRTA on June 1, 2014. He earned his BA in Communications from Muskingum University.

Jose was selected to participate in the GCRTA Management Development Program and is completing an Internal Audit Department rotational assignment for 3 months.

**Maria Daniela Tejada**  
Business Analyst

Maria joined the GCRTA on June 1, 2015. She earned her BA in Industrial Engineering from Universidad San Francisco de Quito and a Master's Degree in Business Administration from Case Western Reserve University.

She was selected to participate in the 2016 Management Development Program.