

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

10:25 a.m., May 12, 2020

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

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

Not present: None

Also Present: Anderson, Benford, Birdsong, Bober, Brown, Burney, Caver, Cottrell-Peiffer, Dangelo, Feliciano, Ferraro, Fields, Freilich, Garofoli, Gautam, Goodwin, Kirkland, Lewis, Pickett, Schipper, Sutula, Togher, Wilson, Young

Ms. Moss called the meeting to order at 10:25 a.m. The secretary called the roll and reported that five (5) committee members were present. This meeting was conducted by teleconference for members of the Board in accordance with House Bill 197 of the 133rd General Assembly, signed by the Governor of the State of Ohio on March 27, 2020, the March 9, 2020 order of the Governor of the State of Ohio declaring a public health emergency and the April 30, 2020 order of the Director of the Ohio Department of Public Health prohibiting any gathering of ten (10) or more people, the Board Committee meetings was live-streamed on RTA's Facebook page (www.facebook.com/rideRTA) for staff and members of the public.

Internal Audit Quarterly Report – 1st Quarter 2020

Tony Garofoli, executive director of Internal Audit, gave the report. Several projects were suspended in the 2020 Internal Audit Plan to address risk posed by the pandemic. Pages 5-8 are the results of those efforts. They provided management with an Enterprise Wide COVID-19 Risk Assessment. The Operations Division developed the COVID-19 Risk Planning document. The details of the document are on page 6. They completed internal control reviews and random spot audits of bus, rail car and Paratransit disinfecting program at each district. These activities took place between 6 pm and 2 a.m. each day. No exceptions noted. They completed an internal controls review of the Employee Benefits paid under the Family First Coronavirus Response Act. Those activities are ongoing and they are working with management. They completed an Inventory of all Employee Issued Computer Equipment to compare with management records for system patching and antivirus updates. They are preparing for a compliance review of the CARES Act funding for the Authority. A list of other activity is provided on pages 5-8.

In terms of their regular audit program, there was a compliance review for travel in the first quarter. No exceptions noted. They completed a contract audit for the Non-Replacement Commuter Coaches. There was a quarterly review of Employee Nepotism and Policies for compliance with the Personnel Policy and Code of Ethics. On pages 11-12, are continuous auditing efforts, where computer technology is used to audit 100% of transactions and computer systems. They completed the Revenue Collections audit and all deposits were collected and posted to the general ledger. There were some immaterial differences between cash collections and system reports from the ticket vending machines. Root cause was a software issue. Management is working with the vendor to address this. They completed a review of the Procurement Card transactions 100%. There was a training in January for all card holders that included the policies and procedures and a re-sign up. They are almost complete with a continuous audit script for Accounts Payable.

On pages 13-17 are fourteen projects in various stages. Some are included as part of the GM India Birdsong's Back to Basics audits. They will report out as they conclude them and meet with management. On pages 18-20 are special requests. They are working with the legal division. They have settled the 2nd of 4th crime insurance claims of the Customer Service Center fraud. Management received a settlement of net of deductible and payment for forensic accountant services of \$600,000.

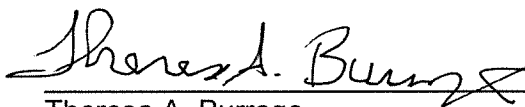
Other audits and investigations are suspended due to COVID-19 issues. They are working with the State Auditor to complete the 2019 Financial Statements & Single Audit. They are scheduled to report out to the Board at the June 2 Audit Committee in executive session. The remainder of the report is informational, including status of outstanding follow-up, other activities, staff training and staff profiles. The newest auditor is Molly O'Donnell. They are still in search of an IT auditor.

This report doesn't require any action. Ms. Moss thanked Tony and his team for their hard work, but especially in recovering one of the fraud claims.

The meeting was adjourned at 10:31 a.m.



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



Theresa A. Burrage
Executive Secretary