Audit, Safety Compliance & Real Estate Committee Meeting

May 12, 2026

MEETING MINUTES

Committee Members: Mayor Weiss (Chair), Ms. Pacetti (Vice Chair), Ms. Elder, Mr. Sleasman

Staff/Other: Shawn Becker, Nick Biggar, India Birdsong Terry, Randall Bowles, Kylie Cianciolo, Floun'say Caver, Brent Charnigo, Laura Crawshaw, George Fields, Bob Fleig, Darren Garlock, Anthony Garofoli, Rajan Gautam, Sharon Jenkins, Ida Marshall, Sheila Miller, Teresa Muti, Molly O'Donnell, Mike Schipper, Andrew Scott, John Togher, Carolyn Young, Steven Zimmerman

Public:

I. Roll Call

Mayor Weiss Called the meeting to order at 9:00 a.m. with a roll call. A quorum was present.

II. Approval of Minutes

Mr. Sleasman moved to approve the minutes of the February 17, 2026, meeting. Ms. Pacetti seconded. The motion carried.

III. Internal Audit Report – Presentation of 1st Quarter 2026 Internal Audit Activities

Anthony Garofoli, Executive Director for Internal Audit, introduced the department's first-quarter review, highlighting a quality assurance and improvement plan alongside updates on key infrastructural audits. Internal Audit Manager Steven Zimmerman detailed several key reporting updates, introducing a redesigned, standardized report format aimed at improving clarity through structured summaries and enhanced visual components.

Steven Zimmerman, Internal Audit Manager, presented the department's report on first quarter 2026 activities. The presentation highlighted enhancements to audit reporting, including a redesigned report format intended that standardizes content across reports and presentations and emphasizes clarity through structured summaries, defined objectives, and improved visual elements.

Mr. Zimmerman reported that the department has modified its key performance indicators to measure progress using total audit hours rather than raw project counts. In the first quarter of 2026, the department successfully completed 17% of its planned audit hours. Ongoing operational targets include completing individual audits within a six-month timeframe and publishing final reports within 60 days of finalizing field work. Additionally, employee development goals remain on track, and issue follow-up metrics have significantly improved, characterized by expedited status updates and increased closure rates for outstanding audit findings.

Staff development goals remain on track, and issue follow-up metrics have improved, including faster status updates and increased closure rates of audit findings.

Moving to the status of the railcar replacement program, Mr. Zimmerman explained that Internal Audit activities continue to focus on contract compliance, project management, and infrastructure readiness. The program includes a total contract amount of $344 million, with approximately 39% expended to date. Preparations are underway for vehicle commissioning, and the first railcar is expected to arrive in September.

A substantial portion of the contract budget shift reflects a vehicle change order with Siemens, increasing the initial $163 million Contract by $179 million to cover non-vehicle options and critical engineering upgrades. This expansion includes the installation of a computer-aided dispatch and automated vehicle locator system. This equipment is vital for tracking vehicles, evaluating on-time performance, and supporting field communications, correcting deficiencies in the originally proposed systems that did not match the functionality of the existing fleet.

Regarding auxiliary construction projects, both the Brook Park shopping yard tracks and the Brook Park rail shop modifications have reached substantial completion. Final audit reports for these initiatives will be issued upon final completion. Audits are also actively underway for the Central Rail facility modifications, which are designed to update maintenance areas for the incoming rail fleet. Future platform modification audits are scheduled for the Red Line, Light Rail, and station platform replacement projects as they advance beyond the design phase.

During the first quarter, internal reviewers finalized an Information Technology Change and Patch Management audit that revealed gaps in formal governance frameworks. These deficiencies historically introduced risks regarding system reliability, data integrity, and operational continuity. Management has responded by creating an IT Council and initiating strategic and organizational process overhauls to move away from a reactive approach to long-term system health.

The next audit focused on a newly introduced employee performance management system designed to replace antiquated, paper-heavy operator attendance workflows. Chief Operating Officer Dr. Floun'say Caver noted that while software configurations were functional, a lack of clear organizational change management prevented the agency from realizing the full value of the system. To rectify this, IT is collaborating with Internal Audit to draft Standard Operating Procedures based on national transit best practices. They are also deploying specialized change-tracking software to ensure that automatic vendor patches do not unexpectedly disrupt local system customizations.

An IT asset management review focused on end-user hardware, such as desktops, phones, and printers. The audit confirmed that while tracking controls exist, the department's heavy reliance on paper records escalated the risk of delayed or inaccurate tracking. In response to the audit, IT personnel successfully eliminated a significant administrative backlog by migrating legacy paper documentation into the centralized digital inventory system.

The accounts payable process aligns with the organization's broader 2026 Financial Health audit theme. The evaluation examined segregation of duties, invoice documentation, payment timeliness, check reconciliation, and three-way match procedures. The audit concluded that financial controls are functioning effectively, invoices are processed accurately, and vendors are paid on time. Minor recommendations were issued to address minor security risks in system access configurations and to reduce reliance on manual record-keeping practices that make matching physical receipts to digital invoices challenging.

A review of the post-delivery Buy America audit for 40 newly acquired Compressed Natural Gas coaches. The evaluation confirmed complete regulatory compliance with 49 CFR Part 663 for all rolling stock and customer-facing components, with one temporary exception. An external infotainment subcontractor deployed an software update that caused next-stop information screens to malfunction. Management immediately coordinated with the vendor to deploy a corrective patch, and internal audit staff continue to monitor the screens actively during daily field commutes.

Mr. Sleasman questioned whether sometimes an outside entity does not upgrade or update software that results in an unexpected impact. Dr. Caver explained that outsourcing software reduces local infrastructure costs and ensures continuous security patches, though it occasionally exposes the fleet to unexpected vendor-side updates. To mitigate these operational risks, the IT department maintains strict Key Performance Indicators tracking planned versus unplanned outages to guarantee fleet resiliency. Additionally, travel reimbursements for the first quarter were reviewed, showing eleven total requests totaling $5,918.05, with a 73% initial compliance accuracy rate.

Moving to continuous auditing scripts, staff advised that revenue reconciliation data across a 15-month timeline verified that customer fares collected from standard fare systems, including the EZfare platform, remained securely within an acceptable 2% variance. A newly developed fuel expense script has been launched to audit diesel transactions quarterly. While diesel fuel accounts for a smaller volume of fleet expenses compared to Compressed Natural Gas, its volatile pricing creates a larger financial control risk, requiring verification via third-party market data.

Continuous monitoring of paratransit customer eligibility as of March 31 identified 13,000 clients in the database, with 6,900 categorized as active riders. The script flagged 533 deceased individuals alongside 23 accounts carried over from the prior year due to data entry oversights. Staff confirmed that no unauthorized post-mortem trips occurred and that the accounts are being deactivated to optimize system performance and reduce per-user software licensing fees.

Additional continuous data tracking verified that payroll systems successfully screened 43,000 records totaling $41.9 million for anomalies, while purchasing card controls monitored quarterly transaction averages and spending caps.

CEO Terry stated that it is important to show the difference in percentage of CNG vehicles versus diesel.

Moving to customer experience, staff found that the Authority can position the Customer Experience Department for success by establishing a customer experience strategy and plan. Recommendations include developing an inventory of cross-functional processes and implementing governance for these processes. Many customers' pain points are the result of unclear ownership and poor coordination in cross functional processes or projects. Many of these cross functional processes lacked governance, had outdated governance or the departments involved in the process were unaware of existing governance.

GCRTA should document the customer journey map and train all employees, develop a customer experience strategy and plan based on internal and external feedback that can be easily communicated as a customer and promote a customer-centric internal culture while encouraging employees to use transit when travelling on Authority business.

Concluding the report, Mr. Garofoli advised that auditors from the State of Ohio are nearing completion of their annual fieldwork, with an executive session scheduled for June 2026 to brief the Board on the results. Collaborative risk-coverage efforts also continue with the Ohio Department of Transportation safety oversight team and the Federal Transit Administration, which will be on-site in July 2026 for its triennial review.

Staff reviewed recommendations of 19 pending items in customer experience and IT governance. Management continues to verify compliance evidence in the field before formally closing items. In healthcare tracking, the Authority is monitoring monthly self-insured fund expenditures between $700,000 and $1,000,000. A consulting firm has finalized a comprehensive healthcare audit. The data will be delivered to management to optimize the upcoming third-party administrator Request for Proposal process before current contracts expire at the end of the year.

IV. Adjournment

There being no further business to bring before this Committee, a motion to adjourn the meeting was moved by Mayor Weiss and seconded by Mr. Sleasman. The meeting was adjourned at 11:52 a.m.

Rajan D. Gautam

Rajan D. Gautam
Secretary/Treasurer