GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

INTERNAL AUDIT QUARTERLY REPORT
Third Quarter - 2014

November, 2014

GREATER CLEVELAND
REGIONAL TRANSIT AUTHORITY

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JULY 1, 2014 THROUGH SEPTEMBER 30, 2014

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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 2014. 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.

(signature) 11/19/14

Anthony A. Garofoli
Executive Director of Internal Audit

2014 INTERNAL AUDIT PLAN

Contract Audits

Cedar-University Rapid Station Rehabilitation
Clifton Boulevard Transportation Enhancement Project
CNG Fueling Station
Elevator/Escalator Maintenance
Little Italy-University Circle Rapid Station
Magnetic Fare Media Cards
Marketing/Advertising Consultant
Supplemental Paratransit Services
Tire Lease/Services
Tower City Maintenance Agreement
Vehicle Purchases
Vehicle Towing

Internal Audits

(ADA) Paratransit Certification Program
Bridge Maintenance Program
Customer Service Center Operations
Employee Compensation
Employee Hiring Practices
Petty Cash
Preventative Maintenance - Facilities
Purchasing Card
Safety Sensitive – Drug and Alcohol Program
Travel Expense Reimbursement
Vehicle Maintenance & Warranty Program

Information Technology Audits

Enterprise Resource Production System (Oracle)
Fuel/Fluids Dispensing System (Fleetwatch)
Maintenance/Management System (Ultramain)
Non-Operators Time/Attendance System (Kronos)
Operators Time/Attendance System (Midas/Giro)
Network Access Control System (Citrix)
Oracle User Productivity Kit
Radio/Communication System (TransitMaster)
System(s) Access Control
Transit Police CAD/RMS (Spillman)

2014 INTERNAL AUDIT PLAN

Continuous Auditing **

Absence Control

Accounts Payable

Accounts Receivable

Fuel Expense

Healthcare Claims 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 Collection System(s)

Fare Enforcement/Proof-of-Payment

Farebox Maintenance/Defect Reporting

Special Event Collections

Ticket/Pass - Sales Agent Consignment/Collections

Ticket/Pass Customer Refunds

Ticket/Pass Inventory

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

COMPLETED PROJECTS

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:

Audit staff reviewed all requests for employee travel expense reimbursements for the period July 1, 2014 through September 30, 2014 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.

Compressed Natural Gas - Fueled (CNG) Coaches – Gillig, LLC
(Board Resolution 2013-110)

Purpose:

The Board of Trustees authorized Contract No. 2013-100 with Gillig, LLC for the manufacture and delivery of up to two-hundred-forty CNG coaches, training, special tools and parts. The first (60) coaches are scheduled for delivery during the 2nd Quarter 2015.

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, including the Pre-Award and Post Delivery Rules.

Scope:

Audit staff completed the Post-Delivery Review, for the purchase of the prototype coach, to evaluate compliance with the Code of Federal Regulations – Part 663.

Results:

Audit staff completed an on-site review of contractor records, toured the manufacturer's final assembly plant, inspected the vehicle and reviewed GCRTA records. Both the

COMPLETED PROJECTS

contractor and GCRTA management complied with federal regulations. Considering this result, GCRTA management can transfer title and place the vehicle in revenue service.

Compressed Natural Gas - Fueled (CNG) Coaches – Gillig, LLC
(Board Resolution 2014-111)

Purpose:

The Board of Trustees authorized a change order to Contract No. 2013-100 with Gillig, LLC, for the purchase and delivery of up to thirty (30) 40-ft. low floor CNG coaches, training, special tools and spare parts. The expected delivery for these vehicles is during the 4th Quarter 2015.

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, including the Pre-Award and Post Delivery Rules.

Scope:

Audit staff completed the Pre-Award Review, for the purchase of the 30 CNG vehicles, to evaluate compliance with the Code of Federal Regulations – Part 663.

Results:

Audit staff completed a review of contractor records. The contractor and management complied with federal regulations. Considering this result, GCRTA management can execute the contract and issue notice to proceed.

Fare Media Inventory

Purpose:

Management stores and distributes fare media (tickets) for consignment or to sell to sales agents, schools and employers.

Scope:

Audit staff developed a risk based methodology to test 100% of the fare media inventory stored in the vaults.

COMPLETED PROJECTS

Fare Media Inventory – (continued)

Results:

Audit staff completed and un-announced audit during the quarter. No exceptions were noted, fare media was located, secured in vaults and reconciled to the inventory control system.

Paratransit Application/Certification Process

Purpose:

GCRTA management is finding it difficult to balance the increase demand and high cost of Paratransit service, while meeting compliance with Federal ADA (Americans with Disabilities Act) requirements.

Scope:

- Evaluate the Paratransit application/certification environment
- Reduce application processing time
- Protect the integrity of the fare structure and fare revenue

Results:

Audit staff worked with management (Paratransit Operations, Marketing, the Office of Management & Budget and Legal Affairs) to evaluate the following: the application and certification process, system demand and elasticity, revenues and expenses, resource deployment and compliance with ADA requirements.

Management is considering recommendations to restructure the application/certification process, review the fare structure and alternative transportation options for customers.

We also shared the results with the GCRTA Citizens Advisory Board and separately with the ADA Subcommittee to obtain their feedback.

COMPLETED PROJECTS

Continuous Audit Program

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:

Audit staff developed a "continuous audit" for the following contracts and/or activities:

Diesel Fuel
- Diesel fuel is delivered to several GCRTA facilities on a daily basis
- Rates fluctuate daily in accordance with contract terms and conditions
- Other contract rates apply

Results:

Diesel Fuel - No exceptions were noted during the Second Quarter 2014.

(See the "Projects-in-Progress" section for more information)

PROJECTS IN PROGRESS

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

These third-party administrators (TPA) contract with healthcare providers and process eligible employee claims for payment in compliance with respective GCRTA plan designs.

Scope:

Audit staff will perform a healthcare claims audit to evaluate third-party administrator (TPA) compliance with respective plan designs and other contract terms and conditions.

We will also complete a dependent eligibility audit to ensure the respective TPAs processed claims for eligible employees and dependents (only).

The audit period is January 1, 2011 through December 31, 2013.

Update:

Audit staff engaged a health care audit consultant to support this review.

We received the claims files from the medical and pharmacy TPAs to date. We are evaluating the claims for compliance with the respective health plan designs.

We selected claims for further review with the medical TPA. Any TPA overpayments will be recovered.

We are pursuing the claims data from the dental TPA.

PROJECTS IN PROGRESS

University-Cedar Rapid Transit Station Renovation
(Board Resolution - 2007-110 - URS Corporation - Design)
(Board Resolution - 2012-057 - McTech Corporation - Construction)

Purpose:

Contracts 2007-047 and 2012-034 were authorized for the planning, design and construction of the University-Cedar Rapid Station.

Scope:

Audit staff will evaluate contract compliance.

Update:

The contractor was issued the Certificate of Substantial Completion in August 2014. The station is operating in revenue service. Internal Audit is evaluating punch list items and contract close-out issues until the Certificate of Final Completion is issued.

Clifton Boulevard Transportation Enhancement Project
(Board Resolution - 2009-094 – Richard L. Bowen, 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 Transportation Enhancement Project.

Scope:

Audit staff will evaluate contract compliance.

Little Italy-University Circle Rapid Station
(Board Resolution - 2008-099 – City Architecture. - Design)
(Board Resolution - 2013-089 – McTech Corporation - Construction)

Purpose:

Contracts 2008-109 and 2013-131 were authorized for the planning, design and construction of the Little Italy-University Circle Rapid Station and Track Bridge.

PROJECTS IN PROGRESS

Little Italy-University Circle Rapid Station – (continued)

Scope:

Audit staff will evaluate contract compliance.

Employment Terminations

Purpose:

Human Resource management has a process to terminate employment due to employee retirements, resignations and other separations. This process must be timely, accurate and complete to mitigate the risk of improper payment of payroll and benefits, collection of assets and access to facilities and computer systems.

Scope:

Audit staff will document the controls in place and test for compliance with established processes. The audit period will be determined after the control risk assessment.

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 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.

PROJECTS IN PROGRESS

Tower City Common Area Maintenance Agreement
(Board Resolution – 1994-027 – Forest City Enterprises)

Purpose:

Per the Common Area Maintenance Agreement, Forest City Enterprises invoices the GCRTA for utilities, maintenance, protective services and other reimbursable expenses. Some components are the invoices are pass-through expenses.

Scope:

Audit Staff will work with the GCRTA Energy Manager, Office of Management & Budget, to evaluate the costs for utilities. These costs include heating and cooling, power to operate the elevators/escalators and the lights.

Petty Cash

Purpose:

GCRTA Administrative Procedure 003 (Petty Cash) provides the procedures for the establishment of accounts, custodians and allowable expenditures. The special provision states, "…a representative from the Internal Audit Department will perform cash counts of the funds at least annually."

Scope:

Audit staff will perform cash counts of the funds and evaluate compliance with the administrative procedure.

Access to Facilities

Purpose:

Management uses security technology to secure the buildings and facilities. Employee accounts are customized within the system, commensurate with roles and responsibilities.

Scope:

Audit staff will evaluate the employee & contractor accounts and access profiles.

PROJECTS IN PROGRESS

Customer Service Center Operations

Purpose:

The Customer Service Center is established in the Tower City Station Concourse. Tellers sell fare media, process penalty fare payments and perform other responsibilities.

Scope:

Audit Staff will evaluate controls in place designed to attain management objectives.

Railcar Electric Motors
(Board Resolution – 2014-007 – Sherwood Electromotion, Inc.)

Purpose:

The Board of Trustees authorized Contract No. 2013-185A with Sherwood Electromotion, Inc., for the rebuilding of rapid transit electrical motors.

Scope:

Audit staff will evaluate contract management and compliance with contract terms and conditions.

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.

PROJECTS IN PROGRESS

Transit Police Computer-Aided Dispatch/Records Management System

Purpose:

Management implemented an integrated system to deploy resources, provide real-time data and field reporting, mapping, crime analysis and CompStat.

Scope:

Audit staff will review the access, input, processing and output controls.

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.

SPECIAL REQUESTS AND EMERGING ISSUES

Claims Processing

Purpose:

The Executive Director of Internal Audit initiated a review of the claims payment processes from the GCRTA Risk Management System to payees.

The system processes information for workers compensation and accident claims. These payments are processed through a series of manual controls. The system is not integrated with the ERP System (Accounts Payable) module.

Scope:

Audit staff will flowchart and test the payment processes. The system software and hardware are being upgraded. We will evaluate the opportunity to integrate the system to automate manual controls.

Update:

Fieldwork is completed. We will share the audit results with management in November 2014.

Paratransit Operator Schedule Adherence

Purpose:

The Paratransit District Director requested a special audit to evaluate Paratransit Operators are adhering to route schedules.

Scope:

Audit staff will evaluate operator compliance with for the period January 1, 2013 through the most current information available.

Update:

Fieldwork is completed. We will share the audit results with management in November 2014.

SPECIAL REQUESTS AND EMERGING ISSUES

Rail Operator Signal Adherence

Purpose:

The Deputy General Manager of Operations requested a special audit to evaluate Rail Operators are adhering to track signals.

Scope:

Audit staff will evaluate operator compliance for the period January 1, 2013 through the most current information available.

Update:

Fieldwork is substantially complete. Audit staff was directed to expand the scope of the audit due to unforeseen conditions. We will share the results with management in November 2014.

Pantograph Maintenance

Purpose:

The Director of Safety requested a special audit to evaluate the preventative maintenance activities for railcar pantographs. A pantograph is an apparatus mounted to the roof of an electric train to collect power through contact with the overhead catenary wire.

Scope:

Audit staff will evaluate the technician compliance with maintenance standards

Worker's Compensation Payments

Purpose:

The Executive Director of Internal Audit initiated an audit to review payments to a health care provider.

Scope:

To be determined after the risk assessment is complete.

SPECIAL REQUESTS AND EMERGING ISSUES

Public Address System

Purpose:

The General Manager/CEO requested a special audit to evaluate the implementation and functionality customer public address system. The public address system is installed at 17 of 19 Red Line Rapid Transit Stations.

Scope:

Audit staff will evaluate equipment is installed per contract specifications, the features and functions are working as designed and employees are properly trained to use the system.

EXTERNAL AUDIT COORDINATION AND FOLLOW-UP

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 Second Quarter 2014:

- Federal Transit Administration (FTA)
  - The FTA is conducted a review of the Indirect Cost Plan for the periods 2010-11 and 2012-13 (July-August).
  - The FTA conducted a review of GCRTA safety-sensitive contractors (July-August).

- State of Ohio – Office of the Auditor
  - The State of Ohio – Office of the Auditor will conduct the 2014 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.

- Federal Emergency Management Agency (FEMA)
  - FEMA conducted a "desk review" of a grant to the Transit Police (July-August).

STATUS OF OUTSTANDING FOLLOW-UP

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 <u>Recommendation Implementation Tracking Report</u> 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	State	Project Code	Issue	Issue Type	Priority	Estimated Date	Revised Date	Actual Date	Owner	Entity
Reorganize Equipment Planner Reporting Structure	Started	2013 - IA - 13 - Rail District Maintenance Program	Equipment Planner Reporting Structure	Reportable Condition		4/30/2014	11/11/2014		Boyce, William	Rail District Maintenance Program
Configuration Management Re-Commitment	Started	2013 - IA - 13 - Rail District Maintenance Program	Configuration Management Plan	Reportable Condition	High Priority	4/30/2014	11/30/2014		Boyce, William	Rail District Maintenance Program
Use of Wood Plugs and Screws	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Use of Wood Plugs	Reportable Condition	Medium Priority	6/30/2014	11/30/2014		Fedikovich, John	Rail District
Work Order Review/Close-out	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Work Order Review/Close-out	Reportable Condition	Medium Priority	6/30/2014	12/31/2014		Fedikovich, John	Rail District
Open Status Maintenance Work Orders	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Open Status Maintenance Work Orders	Reportable Condition	Medium Priority	6/30/2014	12/31/2014		Fedikovich, John	Rail District
Record Work Order Conditions	Started	2013 - IA - 13 - Rail District Maintenance Program	Missing Field Conditions - Work Orders	Reportable Condition	High Priority	6/30/2014	12/31/2014		Boyce, William	Rail District Maintenance Program
Create a Derailment Standard Operating Procedure	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Derailment Standard Operating Procedures - Service Quality	Material Weakness	High Priority	7/31/2014	10/29/2014		Richardson, Anthony	Rail District
Create a Slow Order/Restricted Speed Log in the ICC	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Slow Orders	Material Weakness	High Priority	7/31/2014	11/14/2014		Richardson, Anthony	Rail District
Maintenance Employee Certification	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Maintenance Employee Certification	Reportable Condition	Medium Priority	8/31/2014	11/10/2014		Kawecki, Edward	Rail District
Use appropriate maintenance class for work orders	Started	2013 - IA - 13 - Rail District Maintenance Program	Misclassification of Maintenance Class	Reportable Condition		8/31/2014	12/31/2014		Fedikovich, John	Rail District Maintenance Program
Documentation Standards	Started	2013 - IA - 13 - Rail District Maintenance Program	Missing Maintenance Management System Supporting Documentation	Reportable Condition		8/31/2014	12/31/2015		Rehfuss, Dennis	Rail District Maintenance Program
Tie Replacement Strategic Plan	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Tie Replacement Strategic Plan	Reportable Condition	High Priority	8/31/2014	12/31/2014		Shaffer, Joseph	Rail District
Recording Track Contractor Maintenance	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Recording Contractor Maintenance	Reportable Condition	High Priority	8/31/2014	12/31/2014		Boyce, William	Rail District

STATUS OF OUTSTANDING FOLLOW-UP

	Status	Audit	Condition	Type	Priority	Original Date	Revised Date	Responsible	Program
Record Vendor Costs for Planned Maintenance Inspections	Started	2013 - IA - 13 - Rail District Maintenance Program	Unrecorded Vendor Costs	Reportable Condition	High Priority	8/31/2014	11/30/2014	Boyce, William	Rail District Maintenance Program
Conduct Report Writing Training for all Service Quality Supervisors	Pending	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Service Quality Supervisor's Accident/Incident Report	Reportable Condition	Medium Priority	9/1/2014	3/31/2015	Chapman, Ricky	Rail District
Point of Derailment Measure Form	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Point of Derailment Measure Form	Material Weakness	Medium Priority	9/30/2014	12/31/2014	Fedkovich, John	Rail District
Inspection of Reported Track Kinks	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Inspection of Reported Track Kinks	Reportable Condition	High Priority	9/30/2014	12/31/2014	Neumeyer, Paul	Rail District
Work Order Locations	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Work Order Locations	Reportable Condition	High Priority	9/30/2014	1/5/2015	Shaffer, Joseph	Rail District
Slow Orders	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Slow Orders	Material Weakness	High Priority	12/31/2014	12/31/2014	Fedkovich, John	Rail District
Unrecorded Parts Inventory Issuance	Pending	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Unrecorded Parts Inventory Issuance	Reportable Condition	High Priority	12/31/2014		Fedkovich, John	Rail District
Standard Operating Procedure - Quality Assurance Review	Started	2013 - IA - 13 - Rail District Maintenance Program	Quality Assurance Review - Work Orders	Reportable Condition		12/31/2014		Nicoll, Scott	Rail District Maintenance Program
Clock-on Clock-Off on Work Orders	Started	2013 - IA - 13 - Rail District Maintenance Program	Capturing Work Order Time	Reportable Condition	Medium Priority	12/31/2014	12/31/2015	Rehfuss, Dennis	Rail District Maintenance Program
Develop Rail District Performance Metrics	Started	2013 - IA - 13 - Rail District Maintenance Program	Performance Metrics Not Developed	Reportable Condition		12/31/2014	12/31/2015	Boyce, William	Rail District Maintenance Program
Record Inventory Issued to Work Orders	Started	2013 - IA - 13 - Rail District Maintenance Program	Unrecorded Inventory	Reportable Condition	Medium Priority	12/31/2015	12/31/2015	Fedkovich, John	Rail District Maintenance Program

OTHER PROJECTS

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 Deputy General Manager of Finance and Administration created 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.

Oracle Upgrade Steering Committee

The Deputy General Manager of Finance & Administration created this Steering Committee. The purpose of the Steering Committee is to participate in the planning and oversight for the Oracle Upgrade Project.

STAFF TRAINING

The following training was provided to Audit staff during the Third Quarter 2014:

Northeast Ohio Internal Audit Local Chapter Training
- Operational Auditing (KPMG)

Northeast Ohio Certified Fraud Examiner Local Chapter Training
- Social Media Investigations (Ohio Attorney General's Office)
- Grant Fraud (RVM Enterprises – Forensics)

Software Application Training
- Maintenance/Management System (UltraMain) – (J. Lewis)
- Audit Management System (TeamMate)
- Health Care Audit System (BMI)

Other Training:
- Information Technology (B. Yee)

STAFF PROFILES

Anthony A. Garofoli
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.

Samuel Henderson
Senior Auditor

Samuel joined the GCRTA on May 17, 1999. Sam earned his BS in Accounting from the University of Akron. Sam is a graduate of the GCRTA/Cleveland State University Public Management Academy.

Bonson Yee
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.

Edward Gaio
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.

Shaina Bryan
Staff Auditor

Shaina joined the GCRTA on June 4, 2012. She earned her BA in Management from Hiram College and is a graduate of the GCRTA Management Development Program.

Anthony Ghanem
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 Masters of Public Administration from Cleveland State University. He is also enrolled at CSU to earn his Ph.D. He is a graduate of the GCRTA Management Development Program.

Neletre Burts-Tolbert
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.

Alyssa Deis
Business Analyst

Alyssa joined the GCRTA June 2, 2014. She earned a BA in Public Administration from Miami University (Ohio). Alyssa was selected to participate in the GCRTA Management Development Program and is completing an Internal Audit Department rotational assignment for 3 months.

Daniel Carroll
Intern

Dan joined the GCRTA on June 23, 2014. He earned his BA in Economic Development and Finance from Cleveland State University. Dan also studied at Cuyahoga Community College.