

Minutes

RTA Committee of the Whole Meeting

9:48 a.m., August 27, 2024

Committee Members: Koomar (Chair), Welch (Vice Chair) Biasiotta, Elder, Love, McPherson, Sleasman, Weiss

Not present: Lucas, Pacetti

Staff: Birdsong Terry, Burney, Caver, Cottrell, Dangelo, Davidson, Ferraro, Fesler, Fields, Flannery, Fleig, Ford-Marshall, Freilich, Garofoli, Hlavacs, Jones, Jupina, Kirkland, Miller, Myers, Prebish, Rusnov, Schipper, Sutula, Talley, Togher, Walker-Minor, Young

Public: Butler, Gibbons, Hinton, Lewis, Loh, Lumpkin, Rubin, Sopko, Taxwell, Thomas, White

The meeting was called to order at 9:48 a.m. There were eight (8) committee members present.

Internal Audit Report – 2nd Quarter 2024

Tony Garofoli, Executive Director, Internal Audit gave the report. The Audit Committee met last week for their quarterly meeting. Today's presentation is a summary of last week's Audit Committee report.

Pages 3-5 outlines the 2024 Internal Audit Plan approved by the Board of Trustees in March 2024. The plan is aligned with RTA's Strategic Plan and Performance Metrics.

Completed Projects – Pages 6-11

This section includes the results of 10 Completed Projects. They include Employee Travel Expense Reimbursement, Heavy Rail Motors, Buy America review of Paratransit coaches, TRACTION Performance Management Program, Tower City Common Areas Maintenance Agreement, Electronic Funds Transfer, Transit Police Overtime and Compensation Time, Shaker Heights Maintenance Agreement, Customer Service Center at Tower City and Community Shelter Investment Program. They met with management, received the responses to their audit recommendations and released the reports. They will track the implementation of the recommendations in their Audit Management System. There were no issues for Board consideration.

Continuous Audit Program - Pages 12-16

This section includes the results of the Continuous Audit Program where they develop audit scripts to interrogate system data in real time, completing 100% audits for these transactions. These include Fare Collection, P-Card Transactions, Nepotism and Payroll. They shared the results with the appropriate stakeholders. There are no issues for Board considerations.

Railcar Replacement Program – Pages 17-21

This section focuses on the Railcar Replacement Program. This was requested by the Audit Committee. These results include activities related to the entire program with a focus on change orders (c/o) and contractor payments. On page 17, management is engaged in the pre-manufactured design review process scheduled for completion in September. There were no change orders for the 2nd

quarter, but there was a change order in August. Management issued one c/o for the Siemen's Mobility contract. This is a study of two additional rail profiles for \$51,913.87. They conducted a c/o audit to provide assurance on compliance with Procurement Policies and Procedures. No exceptions were noted. The total value of the Siemens Mobility contracts and c/o's is \$195,589,849.21. Total payments to the contractor as of August 8, 2024 are \$64,708,815.83.

This section also includes a summary of the FTA Project Management Oversight efforts and other consultant services and railcar program infrastructure modifications. Internal Audit will engage in other audit activities as they continue to assess risk and compliance.

Projects In Progress / Special Request and Emerging Issues – Pages 22-29

This section includes projects in various stages of completion. They added updates to provide transparency and information status. They are waiting on management to respond to projects where fieldwork is done. They will report on those at the next meeting. Page 29 has the details and updates of Special Requests and Emerging Issues. They will share the results of those in accordance with the Audit Charter.

External Audit Coordination – Page 30

This section includes work with external auditors. The State Auditor completed the 2023 Financial and Single Audit. The results were shared with the Board at the June Board meeting. They released their final report to the public on July 16, 2024. They are working with the Federal Administration Program Management Oversight for the railcar project, meeting monthly with management and the consultant.

The remainder of the report is informational. They participated in several steering committees and meetings to learn and share risk, management strategies and training.

The meeting was adjourned at 9:57 a.m.



Rajan D. Gautam
Secretary/Treasurer



Theresa A. Burrage
Executive Assistant