Audit, Safety Compliance & Real Estate Committee Meeting

May 13, 2025

MEETING MINUTES

Committee Members:	Mayor Weiss (Chair), Ms. Welch (Vice Chair), Ms. Elder, Ms. Pacetti, Mr. Sleasman
Staff/Other:	Shawn Becker, Nick Biggar, Randall Bowles, Janet Burney, Kylie Cianciolo, Laura Crawshaw, Melinda Dangelo, George Fields, Bob Fleig, Darren Garlock, Anthony Garofoli, Rajan Gautam, Lawrence Jupina, Sheila Miller, Holly Mothes, Molly O'Donnell, Mike Schipper, Andrew Scott, John Togher, Chris Weil, Carolyn Young, Steven Zimmerman
Public:	None

Mayor Weiss Called the meeting to order at 9:00 am with a roll call. Five (5) committee members were present representing a quorum.

A motion by Mr. Sleasman, seconded by Ms. Elder to approve the minutes from April 1, 2025 and was unanimously approved.

Mr. Garofoli and his team presented a review of the Internal Audit Department's performance, compliance, and progress on several initiatives and projects. He confirmed that the Internal Audit function continues to conform with the International Standards for the Professional Practice of Internal Auditing. This was reinforced by an overview of the department's Internal Audit Charter and its Quality Assurance and Improvement Program (QAIP). The QAIP is used to measure audit effectiveness and alignment with professional standards, and to identify areas for continuous improvement. Of the 11 corrective action plans developed from prior assessments, 8 have been fully implemented while 3 are pending approval of the revised charter.

The Team gave a comprehensive update on the Railcar Replacement and Infrastructure Program, including contract compliance audits related to Siemens Mobility Inc., the selected vendor for new high-floor light rail vehicles. The original contract value of $163.9 million has increased to approximately $308.4 million through a series of approved change orders totaling over $144 million. As of May 1, 2025, around $83.2 million—approximately 27% of the total contracted amount—has been paid. Internal Audit is providing continuous oversight through procurement audits, invoice reviews, and Buy America compliance checks. The initial three railcars are under assembly in Sacramento, with inspections in progress. Additional audits were conducted on related contractors, such as Hatch Engineering, K&J Safety and Security Consulting, and Port Connection, focusing on design and construction of support infrastructure at Brookpark Yard and Central Rail Maintenance facilities.

The Team also reviewed the Internal Audit Department's Quarterly Report for Q1 2025. Several key audits were completed. A review of the Customer Service Center at Tower City found satisfactory controls, including accurate cash reconciliation and successful implementation of consignment reduction recommendations. The Transit Ambassador Program received a "marginally unsatisfactory" rating, with recommendations to enhance training, enforce data entry compliance, and improve customer interaction tracking. The Body Worn Camera program also received a "marginally unsatisfactory" rating, with suggestions to align policies with CALEA standards, implement a more structured video review process, and explore improvements in training and footage redaction software. A review of Rail Cleanliness, focused on vehicles and

station facilities, received an "unsatisfactory" rating, identifying gaps in SOP documentation, scheduling, staffing, and coordination between Transit Police and cleaning staff. However, it did note positive initiatives, such as vinyl seat replacement and the Windermere station cleaning crew.

In terms of projects in progress, several audits are in planning or fieldwork stages. These include evaluations of accounts payable processes, implementation of a new applicant tracking system (ATS), configuration and change management, customer complaint handling, fare collection, and IT governance. Fieldwork is underway on audits such as accrued leave tracking, paratransit certification, in-service mechanical failure response, and the Siemens railcar contract. Audits in reporting stages include fiber optic installations, fuel expense tracking, and Board compensation compliance.

The department is also conducting Buy America reviews across multiple vehicle types and manufacturers, such as Siemens, Geismar, Gillig, and Endera. These audits occur at pre-award, intermediate, and post-delivery stages to ensure domestic content compliance for federally funded procurements.

Under its Continuous Auditing Program, the department continues frequent testing of payroll, purchasing card activity, revenue reconciliation, and paratransit eligibility. For example, the paratransit eligibility review for 2024 found approximately 100 deceased clients and identified 19 active centenarians. Continuous auditing of payroll in Q1 included the analysis of over 55,000 records, revealing no significant discrepancies and total compensation exceeding $53 million.

Additional updates included special requests and emerging issues, such as investigations into diverted vendor payments and operator overtime, along with coordination with external auditors including the State of Ohio's Single Audit team, ODOT's Rail Safety Oversight, and FTA's Project Management Oversight. The department is also contributing to the healthcare claims co-sourcing project, with an audit scope covering two years of third-party administrator records for $32 million in annual expenditures.

The committee was informed of other ongoing responsibilities, such as participation in the Change Order Review Committee, the Railcar Replacement Steering Committee, the IT Council, and records management initiatives. Internal Audit staff received extensive training in Q1 through various professional organizations, covering topics like fraud detection, ethical leadership, cybersecurity, ERP governance, and international trade impacts.

The Team concluded with an open call for questions and feedback, acknowledging the Internal Audit Department's robust activities and commitment to continuous improvement and oversight.

It is recommended that the Committee forward the Temporary Right of Entry Agreement to the entire Board of Trustees for approval. It was moved by Rev. Lucas, seconded by Ms. Elder, and unanimously approved to advance the item to the full Board for consideration.

There being no further business to bring before this Committee, a motion to adjourn the meeting was moved by Mr. Sleasman and seconded by Ms. Welch. The meeting was adjourned at 10:28 am.

Rajan D. Gautam
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Secretary/Treasurer

Avis R. Lyons
Avis R. Lyons
Interim Executive Assistant