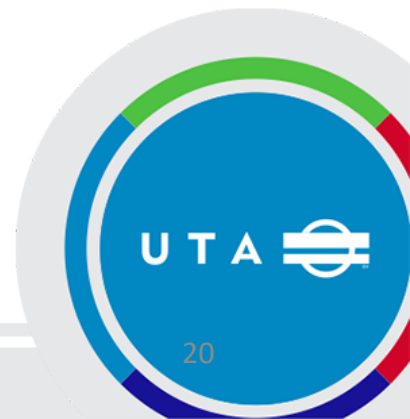


Internal Audit Update

- a. 2022 Audit Plan Status
- b. Fairbox Controls Review



2022 Audit Plan Status



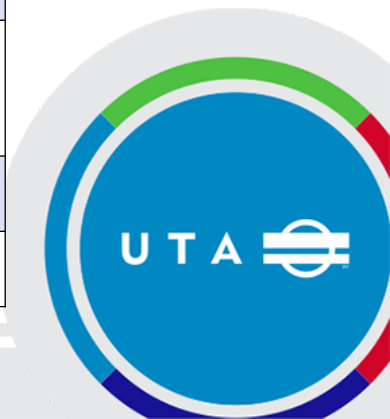
2022 Audit Plan – Next Phase Projects

Engagement #	Audit Phase Project	Status
21-06	Fuel Cost	Q4 2022
21-02	Utility Costs	In progress
21-03	MOW Systems	Completed
21-04	Bus Operations	Late Q3/early Q4 2022
20-02	Transit Oriented Development	Q3 2022



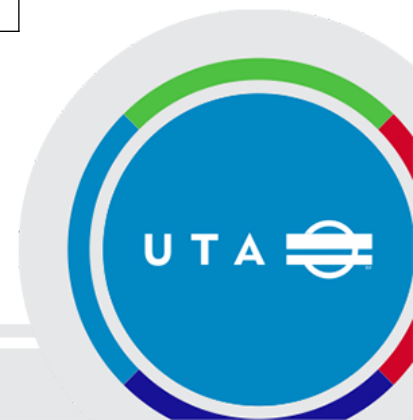
2022 Audit Plan – New Projects

Engagement #	Project Name	Status
22-01	Commuter Rail Operations	Q3 2022
22-02	Light Rail Operations	In progress
22-03	Covid Stimulus Spending	Q3 2022
22-04	Fleet Engineering	In progress
22-05	Benefits Calculations	Q3 2022
22-06	Support Fleet Preliminary Performance	Complete
22-07	Cell Phone Preliminary Performance	Complete
22-08	Capital Asset Accounting	In progress

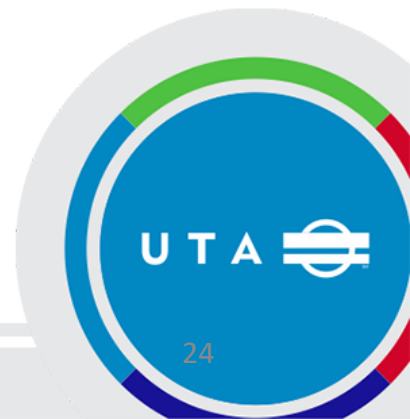


2022 Audit Plan – Special Projects

Engagement #	Project Name	Status
22-08	Data Discovery (third-party)	In progress
22-09	Data Analytics	In progress



Farebox Controls Review



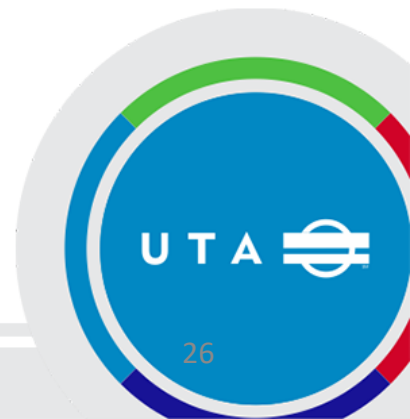
Farebox Revenue Follow-up

- Currently 8 recommendations covering 3 topics are in progress
 - Implementation of Smart Farebox Technologies
 - RFP submission deadline for Next Gen Electronic Fare Collection System (June 15, 2022)
 - Tracking of current fareboxes
 - Recently implemented controls: farebox tracking document and farebox repair work order documentation
 - Policies and Procedures
 - Development of SOPs and policy are in-progress



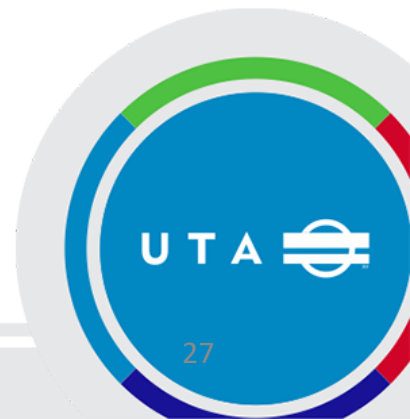
Internal Audit Report Review

- a. Maintenance of Way Systems Audit Report
- b. Cell Phone Preliminary Performance Audit Report
- c. Support Fleet Preliminary Performance Audit Report

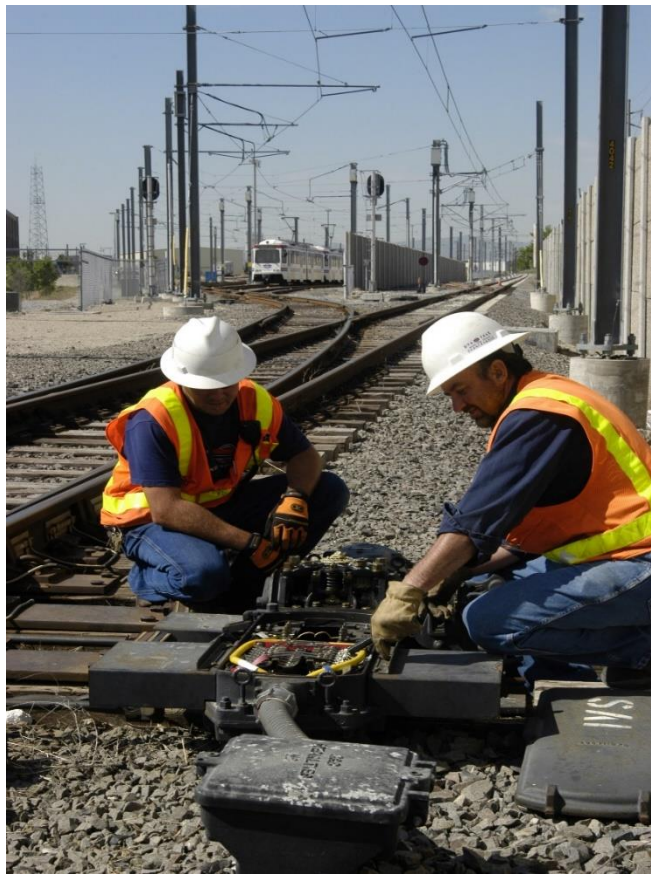


Maintenance of Way (MOW) Systems Audit Report

Engagement #21-05



MOW Systems Audit - Scope



Period of review was primarily June 1, 2021 – February 28, 2022. Periods before and after were reviewed, as necessary.

Audit Scope
Governance
Inspections
Maintenance
Training



MOW Systems – what we found

- *Follow up:* Management has invested significant resources – people and funding – into developing an MOW apprenticeship program.
- *Follow up:* The apprenticeship team feels well supported in their goal and are confident in resource availability needed to succeed.
- *New issue:* MOW Systems does not have dedicated training staff.



MOW Systems – why it matters

Because of the lack of dedicated training personnel:

- Supervisors have had to take on additional responsibilities, straining their normal duties.
- MOW has paid a part time consultant \$70,600 in the past four years.
- Training Records are incomplete.
- SOPs are not drafted for all major MOW process.



MOW Systems – why it matters

Potential risks include:

- Noncompliance with federal regulations.
- Personnel may become outdated on procedures or standards for maintaining rail assets.
- Supervisors may be required to work excessive overtime to meet training needs.
- MOW lacks capacity to provide ongoing subject matter expertise support for the apprenticeship program.



MOW Systems – recommendations

MOW should receive budget funding to staff a full-time training specialist.

Management action plan:

- Funds will be requested in the 2023 budget.
- The new position will be responsible for training related responsibilities, including records management, development, and drafting SOPs.
- The new position will be a liaison with the MOW apprenticeship program.

