



Annual Risk Refresh and Proposed FY 2022 Audit Workplan

Governance & Audit Report No. 2021-5

Report Issued January 5, 2022

Executive Summary

Background

The Governance & Audit function was formalized at IndyGo in 2019. Governance & Audit (G&A) aims to be a collaborative, strategically-focused and cross-functional solution for process improvement and risk mitigation.

Our goal is to both help improve processes across the agency as well as identifying and supporting staff efforts to remediate internal control weaknesses.

The FY 2021 Internal Audit Work Plan approved by the Governance and Audit Committee included a refresh of the current risk assessment. The results of the risk assessment refresh allow us to design a forward-looking work program that is both proactive and reactive, and which considers the full spectrum of risks illustrated below.



Objective and Scope

Our process included:

- Interviews - We spoke with 34 management members, and 3 Board of Director members.
- Survey – We circulated a risk survey, seeking anonymous input on risk priorities. 21 responses were received.

Input was received from every functional department across the agency, including operations, finance, technology, capital projects, legal, and HR. We sought perspectives on agency-wide risks, external risks, and threats to IndyGo’s mission and objectives.

Our goal in compiling the following Heat Map was to provide the holistic risk universe relevant to IndyGo. Accordingly, certain risk areas may seem easily auditable, while others less so.

To rank the specific risk areas, we leveraged three primary filters:

- Our collective understanding of IndyGo and its operating environment
- Our subject matter expertise in the public transit space
- Our experience in internal audit and enterprise risk.

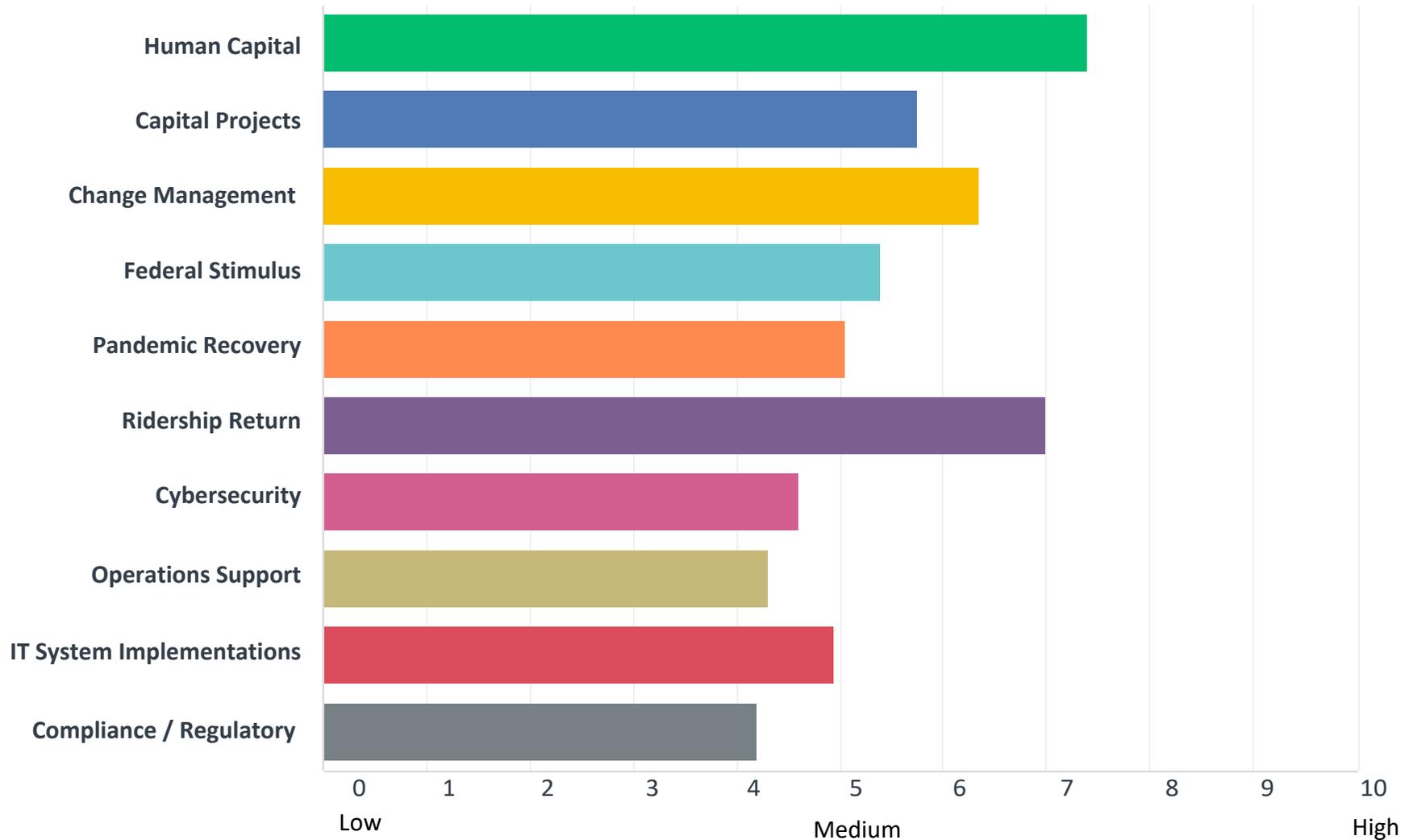
Overall Summary

The Heat Map and resulting Work Plan presented on the following pages represent the result of this risk assessment refresh. Appropriate attention toward managing these risks in the near term will be critical to the continued success of the agency.

We would like to thank IndyGo staff and all those involved in assisting us in connection with this risk assessment refresh. Questions should be addressed to the IndyGo Department of Governance and Audit at:

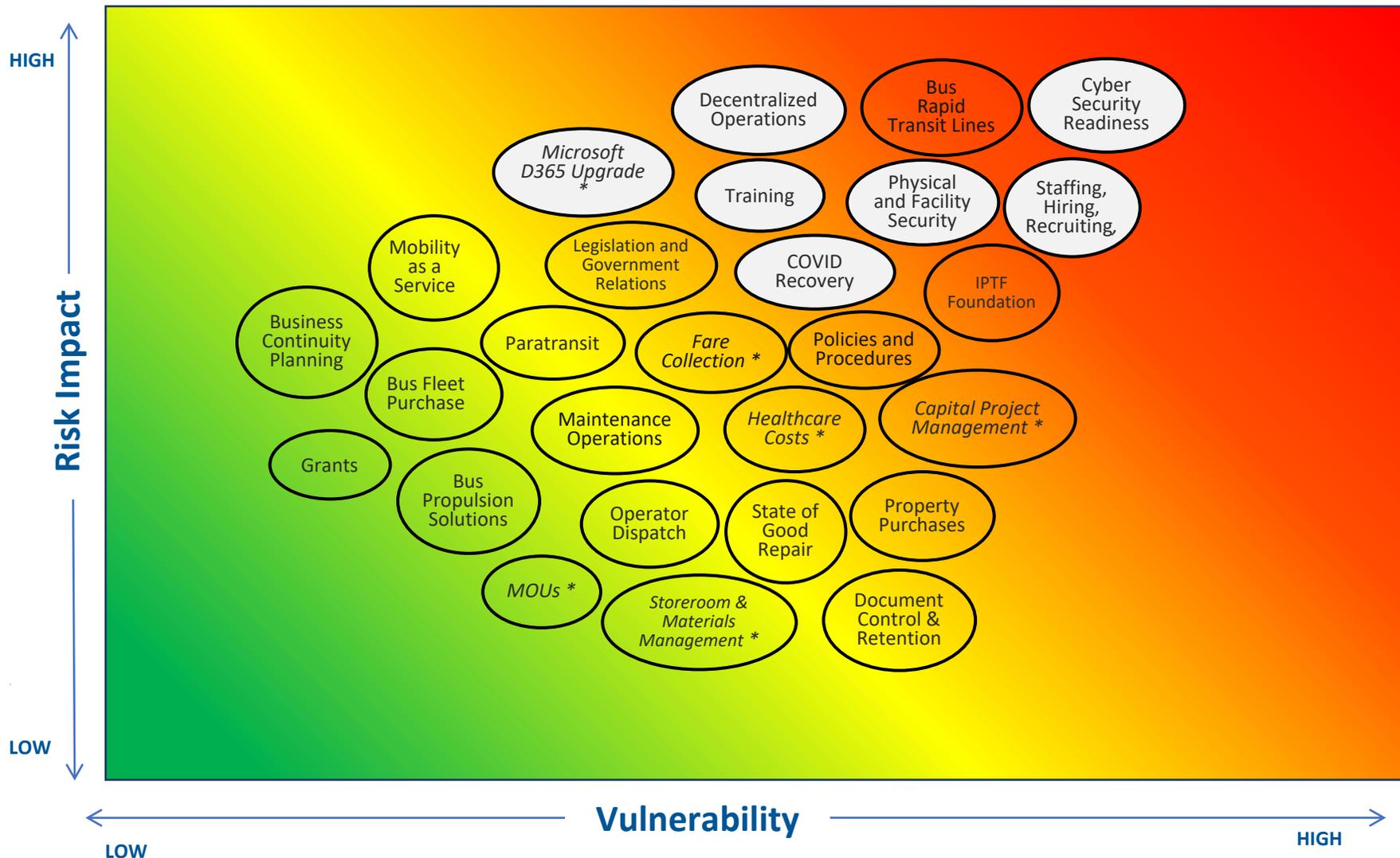
batkinson@indygo.net.

Prioritized Risks (from Survey)



Thank you to all participants.

Heat Map and Recommended Audits



*Risk Area was in scope within a FY 2021 G&A audit project
 Shaded Areas included in proposed FY 2022 Internal Audit Workplan

FY 2022 Proposed Internal Audit Workplan

Area	Description
Microsoft Dynamics 365 Upgrade <i>(Continued from 2021)</i>	<p>Independent Project Oversight (continued from FY 2021). Examine the planning and other supporting processes and controls in place to support the D365 system upgrade / implementation. Considerations include the Project Management Body of Knowledge (PMBOK) process management areas, such as:</p> <ul style="list-style-type: none"> • Scope management and change orders • Time and schedule • Cost and budget • Risk management • Communication plans and reporting • Quality management
Staffing, Hiring and Recruiting	<p>Examine the programs, processes and policies related to employee hiring, retention, and succession planning. Considerations may include:</p> <ul style="list-style-type: none"> • Employee retention, appreciation, recognition and trades apprenticeship programs • Operator scheduling process and shift times • Succession planning and talent identification. Management development programs. • FMLA (Family and Medical Leave Act) usage • Leave time and long-term usage policies • Vacancy rate and position control processed and reports • Operator absences and shortages. Impact on service and bus pull-out rates • Compensation and class reviews. IndyGo pay competitiveness.
Decentralized Operations	<p>Assess IndyGo’s planning and preparation around the upcoming expansion and operation of up to six different physical locations (including East Campus, 1501 W. Washington, Transit Center, W. Michigan Street mobility services, two new bus charging facilities), including its ability to operate multiple facilities simultaneously. Considerations may include:</p> <ul style="list-style-type: none"> • Impacts upon staffing • Consistency of agency SOPs across facilities • Change management processes in-place and planned to ensure smooth continuity of operations • Budgeted operating costs for collective facilities • Security considerations (including the vacant properties with no buildings)

FY 2022 Proposed Internal Audit Workplan (continued)

Area	Description
Physical and Facility Security	<p>Examine the processes and controls in place to safeguard IndyGo people, riders, facilities and materials. Considerations may include:</p> <ul style="list-style-type: none"> • Security vendor contract and performance • West Washington and planned East Campus building safety • Intelligent Transportation Systems (ITS) technologies, including CCTV and camera monitoring • Vehicle accident rate, historical and vs. peers • Fare enforcement, evasion, policies and procedures • Workplace violence prevention programs • Materials, vehicle and fuel storage • Station and Transit Center safety matters, homelessness concerns
Training	<p>Examine the processes and controls in place to help ensure the adequate training of IndyGo employees. Considerations may include:</p> <ul style="list-style-type: none"> • Day One Orientation procedures • Technology Training (including use of the IndyGo Intranet) • Driver training • Mobile-enabled training options • Ongoing training and career development • Functional cross-training • Annual Ethics training and re-certification • Learning Management System (LMS) technology platform and usage • Board member orientation, education and retreats • Unification of technology systems across properties (i.e., HVAC operation across two campuses)

FY 2022 Proposed Internal Audit Workplan (continued)

Area	Description
Cybersecurity Readiness Assessment	<p>Assess IndyGo’s Cybersecurity posture and framework, including the adequacy of processes and controls in place to assess, evaluate and address cyber risk. Considerations may include:</p> <ul style="list-style-type: none"> • Threat and vulnerability assessment • Phishing and spoofing prevention, including training for employee awareness • White hat hacking attempts • Identity and access management • Data management and protection • Cybersecurity program staffing and associated resources • Recently issued FTA Cybersecurity Information Guide • Consideration of NIST Cyber Security framework
COVID and Pandemic Recovery	<p>Examine the processes, policies and controls in place as IndyGo operates in the new post-pandemic environment. Considerations may include:</p> <ul style="list-style-type: none"> • Ridership forecasting and recovery • CARES, CRSSA and ARP funding. Expenditure management under various ridership scenarios • Changes to existing policies. Updates to existing HR practices. • Work From Home and Vaccination policies • Driver safety programs and passenger incidents • Transit Center usage and cleanliness • Comprehensive Operating Agreement (COA) update review
Annual Risk Refresh, and Internal Audit Workplan	<p>Update the existing IndyGo risk universe by performing the annual risk assessment refresh and updating the recommended future Internal Audit workplan accordingly. Steps include:</p> <ul style="list-style-type: none"> • Interview members of IndyGo management and the Board • Conduct survey, to obtain feedback on risks and prioritization • Prioritize the risk universe and prepare an updated Heat Map

Potential Future Audits

Area	Description
Paratransit Program	<p>Examine the processes and controls in place to help ensure the adequate training of IndyGo employees and Board members. Considerations may include:</p> <ul style="list-style-type: none"> • Vendor contract compliance • FTA Circular compliance review • Ridership analysis. Cost per ride. • Scheduling system effectiveness, backup, and security protocols • Customer complaint review and resolution • Driver hiring, driving, and performance records
IT System Implementations	<p>Review the processes, methodologies and controls in place for IT system implementations. Considerations may include:</p> <ul style="list-style-type: none"> • Methodologies followed in the management and execution of system implementation • Processes and controls in place around timelines, deadlines, progress reporting, plan adjustments, third-party vendor management, etc. • Adequacy of planning and project management staffing • IT general controls (e.g., user security administration/logical access over applications and data, system development life cycle controls, system and data backup and recovery, etc.) • IT network and data security • IT cloud migration • IT change management <p>Review the status and controls related to specific applications implementations. Applications may include:</p> <ul style="list-style-type: none"> • HASTUS • E-Builder • Avail • Fare Card Retail Network • Learning Management System (LMS) • SharePoint

Potential Future Audits (continued)

Area	Description
Operator Scheduling	<p>Examine the processes and controls supporting Operator scheduling. Considerations may include:</p> <ul style="list-style-type: none"> • Service standards guidelines and performance • Pull-out and vehicle down-time performance statistics • Trip building and runcutting process during pandemic • Operator bidding. Extra board usage and operator availability • Work rules re: part-time, temp, seniority. • System effectiveness, support, and upgrades
Transactional Areas	<p>Examine the processes and controls supporting the successful flow of transactions in routine financial areas. Considerations may include:</p> <ul style="list-style-type: none"> • Accounts Payable • Payroll • Fixed Assets, etc. <p>Procedures may include a combination of interviews and observation, process walkthroughs, process mapping, substantive transaction testing, and analytical review.</p>
Indianapolis Public Transportation Foundation (IPTF)	<p>Examine the Foundation’s goals, policies and strategies. Plan, report and discuss with IPTF Board. Considerations may include:</p> <ul style="list-style-type: none"> • Legislative requirements and strategies • Fundraising goals and programs • Foundation support services from IndyGo <p>Board governance and Foundation non-profit bylaws</p>