

To: Wade Cooper, Member, Chair, Finance, Audit & Administrative (FAA) Committee
Matt Harriss, Member, FAA Committee
Leslie Pool, Member, FAA Committee
Becki Ross, Member, FAA Committee

CC: Dottie Watkins, Interim President/CEO

From: Terry Follmer, CPA, MBA, CIA, CISA, CISSP
VP, Internal Audit

Date: October 12, 2022

Subject: **Proposed FY2023 Internal Audit Plan**

Purpose

This proposed Capital Metro Internal Audit Plan (Audit Plan) summarizes the planning methodology and the audit projects that Internal Audit recommends performing during FY2023.

FY2023 Audit Plan & Updates

The Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing* require that risk-based plans be developed to determine the priorities of the internal audit activity, consistent with the organization's goals.

The proposed FY2023 Internal Audit Plan (Table 1) was developed by performing a comprehensive risk assessment. This included a risk assessment survey sent to management and Board members, management interviews, and discussions with Board members. Additionally, we collaborated and reviewed the audit plans of VIA in San Antonio, METRO in Houston, and DART in Dallas. The Internal Audit Department also reviewed prior external consulting and audit reports (e.g., FTA Triennial, Quadrennial Performance Audit, etc.), operating and capital budgets, organization charts, and the Strategic Plan to help ensure other potential risk and opportunity areas were identified and proposed projects are aligned to address the strategic risks of the Authority.

The results of this year's Risk Assessment (Table 3) shows that risks have increased due to a variety of factors therefore the proposed FY2023 Audit Plan has been increased accordingly. Some key drivers of higher risks noted are as follows: CapMetro growth with FY2023 \$902

million Budget for Operating and Capital Expenses; Project Connect progress; multiple large capital projects (e.g., McKalla Station; etc.), various strategic IT projects, CapMetro and service provider personnel vacancies; tight labor market with higher employee turnover and high uncertainty in the economy. Some of this risk is mitigated through new enterprise systems such as the Oracle ERP and the implementation of an enterprise governance, risk and compliance (GRC) system. In light of the importance of these new systems, the FY2023 Plan has a strong focus on these two enterprise systems being implemented. Internal Audit is serving as an advisor on both systems and is the lead facilitator on the GRC implementation to help ensure that controls are adequate and process improvement efficiencies are gained. The Oracle ERP financial modules will go live on 10/1/2022 and the human resource modules will go live on 1/1/2023. Additionally, the FastPath system has been chosen by management to analyze segregation of duties in the new Oracle system and the Internal Audit Department will help management in the evaluation of SOD across Oracle (e.g., Payroll; Accounts Payable; etc.).

One of the largest projects in the FY2023 Plan is the implementation of the Governance Risk & Compliance (GRC) systems. This project was spawned from the Quadrennial Performance Management recommendation in January 2021 that CapMetro implement a “contract management system” to help on monitoring vendor performance/compliance in Bus, Rail and Demand Response contracts. The proposed FY2023 has multiple GRC related projects with Internal Audit playing a critical role in ensuring the GRC implementation goes smoothly across various departments with internal control improvements and efficiencies being gained.

The FY2023 Plan also includes a focus on IT security, safety, and financial controls. The proposed plan includes three IT projects which includes the Annual Cybersecurity Review (i.e., IT Penetration and Vulnerability Assessments), NIST Cybersecurity Framework facilitated self-assessment, and a possible review of Microsoft SharePoint Security. Other projects to highlight from the FY2023 Plan include the support of the Joint Powers Agreement and related ILAs, and the new operating model in the MV Transit contract. Internal Audit believes these focus areas together with the other projects in the proposed Audit Plan will appropriately address the risks identified.

The FY2023 audit plan also includes a list of contingent projects (Table 2) that will serve as backup projects that will be performed if the original plan is running ahead of schedule or if some of the projects must be delayed or cancelled. Furthermore, the Audit Plan is meant to be a risk based flexible audit plan so as emerging risks arise or priorities change, the Internal Audit Department will bring these future project changes to management and the FAA Committee for approval.

As a result of the increased risks noted in the Annual Risk Assessment more projects are proposed in the FY2023 Audit Plan, and the list of Contingent projects is much larger than prior years. The table below compares the FY2023 to the FY2022 Audit Plan and current staffing is not sufficient to complete the proposed Plan which has been expanded due to the increased growth and emerging risks that CapMetro must manage.

| | FY2023 | FY2022 | Increase / (Decrease) |
|------------------------------|--------|--------|-----------------------|
| Number of Audit Projects | 20 | 17 | 3 |
| Hours to Complete Audit Plan | 6,370 | 4,655 | 1,715 |
| | | | |
| Contingent Audit Projects | 16 | 9 | 7 |
| Hours in Contingent Projects | 4,720 | 2,220 | 2,500 |

Benchmarking of Internal Audit Staffing

The CapMetro Internal Audit Department is significantly understaffed in comparison to other Texas Transit agencies. This is clear by looking below at the Internal Audit benchmarking survey performed by APTA's Committee of Audit Professionals in August 2022. CapMetro's internal audit staffing has been at three professional auditors for over twenty years while all other transit agencies in Texas have expanded to a minimum of 7 auditors in the case of VIA in San Antonio. It's important to note that the risk profile of CapMetro is changing quickly with the Project Connect budget of \$10 billion together with rapid transition to an electric bus fleet that some of the other Texas transit agencies do not have. In the table below are excerpts from the APTA Internal Audit Benchmarking Survey so that you can better understand the staffing differences and the unique risks that CapMetro must manage on an ongoing basis in comparison to other Texas based transit agencies.

| APTA BENCHMARKING OF INTERNAL AUDIT DEPARTMENTS | | | | | | | | | |
|---|-------------------|--------------------------------|--------------------|-------------------------------------|----------------|-------------------------|---------------------------|------------|------------------------------------|
| Transit Entity | Internal Auditors | Outsourced Bus & Rail Services | Electric Bus Fleet | Governance Risk & Compliance System | Audit Software | Audit Standards | Quality Assessment Review | ERP System | Enterprise Asset Management System |
| CapMetro (Austin) | 3 | YES | YES | Diligent HighBond | GRC HighBond | Red (IIA); Yellow (GAO) | ALGA | Oracle | Hexagon (Infor) |
| VIA (San Antonio) | 7 | NO | NO | N/A | Pentana | Red (IIA) | ALGA | Infor | Infor |
| DART (Dallas) | 9 | NO | YES | N/A | AutoAudit | Red (IIA); Yellow (GAO) | Honkamp | Lawson | Spear |
| METRO (Houston) | 9 | NO | NO | N/A | Pentana | Yellow (GAO) | ALGA | SAP | SAP |
| | | | | | | | | | |

Source: APTA's survey of the Committee of Audit Professionals completed in September 2022.

The APTA internal audit survey shows the average cost of Internal Audit is budgeted at 0.25% of the total operating budget, which would be \$967,500 (FY23 Operating Expenses budget of \$387,471,000 X 0.25%) for FY2023 versus Internal Audit budget of \$429,400.

Internal Audit Project Staffing

Based upon the increasing risks, the need to perform more projects, and the results of the APTA benchmarking survey I'm proposing that the professional audit staff be increased by two

professionals during FY2023. The Internal Audit Department has been at three professionals for more than 20 years and the internal audit staffing has not kept pace with the growth of CapMetro and the major strategic projects (e.g., Project Connect; Move to All Electric Fleet; Contracting Model moving from Fixed Price to Variable (Pass Through Charges) etc. If the staffing is increased the Internal Audit Department will be positioned to complete the proposed plan, otherwise at least 3 projects will need to be removed from the FY2023 proposed Audit Plan.

We will continue utilize a combination of internal and external resources to perform the projects. The FY2023 plan includes 20 assurance/advisory projects, and Internal Audit believes these additional projects can be completed by adding two full time staff. Furthermore, we will continue the successful UT Audit Intern program whereby each student is providing up to 40 hours (i.e., 8 weeks times 5 hours per week) of project time for the Fall and Spring semesters as part of their Audit class at UT. Additionally, the Annual Cybersecurity Review (i.e., IT Penetration and Vulnerability Assessment), is performed by an external consulting firm and it is funded by the IT Department. We believe this mix of staffing together with expanding the audit staff by two professionals will allow the proposed audit plan to be completed, otherwise three to four projects will need to be pulled off the FY2023 Plan (see Table 1).

Professional Requirements & Auditor Independence

The Internal Audit Department conducts our audits in conformance with Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States and the IIA's International Standards for the Professional Practice of Internal Auditing and Code of Ethics. These standards require that we be independent from any entity or person that we audit or may audit and be objective when conducting such audits. Furthermore, IIA Standard 1110 requires that the CAE confirm to the board, at least annually, the organizational independence of the internal audit activity. Capital Metro Internal Audit is organizationally independent of management and, as such, remains objective when conducting audits, and our staff have no conflicts of interest with the proposed FY2023 Audit Plan.

TABLE 1 – FY2023 Audit Assurance & Advisory Projects

| # | Audit Project | Audit Type | Audit Objective & Scope | Estimated Hours |
|---|---|-----------------------------|--|-----------------|
| 1 | Semiannual Implementation Status Updates - November 2022 | Assurance | Monitor and report on implementation status of previously agreed-upon corrective action plans (CAPs). Status updates are performed twice each year (Spring and Fall.) | 200 |
| 2 | Semiannual Implementation Status Updates - May 2023 | Assurance | Monitor and report on implementation status of previously agreed-upon corrective action plans (CAPs). Status updates are performed twice each year (Spring and Fall.) | 200 |
| 3 | FY2023 Risk Assessment & FY2024 Audit Plan Development | Continuous Improvement & QC | Develop the annual risk based internal audit services plan to identify audit and non-audit projects and effectively allocate resources. Update and align the plan with changing organizational risks/opportunities. | 350 |
| 4 | Joint Powers Agreement & Related Interlocal Agreements - Advisory | Advisory / Consulting | Evaluate the JPA and related ILAs to ensure roles and responsibilities are clear between the parties. Review monthly administration and support of billings to ensure support is sufficient and processes are efficient. | 400 |
| 5 | ERP (Oracle) Implementation Advisory | Advisory / Consulting | Compliance with contractual requirements as well as implementation methodology. | 80 |
| 6 | FastPath - Analyze Oracle segregation of duties | Advisory / Consulting | FastPath software has been purchased to analyze segregation of duties (SOD) across the financial transactions (e.g., Payments; Payroll; etc.) | 300 |
| 7 | MV Contract - Pass Through Charges (e.g., Payroll; Spare Parts; etc.) | Advisory / Consulting | Analyze the largest pass-through charges (e.g., Payroll; Parts; etc.) and related controls in order to validate the monthly variable cost billing. | 400 |

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|----|--|-----------------------|---|-----|
| 8 | GRC - Contract Performance Management System Advisory | Advisory / Consulting | The Quadrennial Performance Audit Report dated 1/2021 requires that a Contract Management System be implemented. Serve as an advisor on the GRC implementation in the following areas: Contract Performance Mgt System for Bus, Rail and Demand Response. | 400 |
| 9 | GRC (Governance Risk & Compliance) System Implementation | Advisory / Consulting | Assist with the enterprise level implementation of the Diligent GRC system which provides the tools to automate monitoring and reporting as follows: Contract Compliance & Billings; Safety; Risk Registers; Enterprise Risk Management; Internal Audit and other departments etc.. | 600 |
| 10 | GRC (Governance Risk & Compliance) - UT Interns on Bus Ops, Maintenance & Safety | Advisory / Consulting | Develop and implement contract monitoring controls to automate the following areas: Incident & Accident Reporting; MV Bi-weekly Payroll validation; Safety/Maintenance/Attendance Bonuses; and all other pass-through charges. | 250 |
| 11 | GRC (Governance Risk & Compliance) - UT Interns on Rail & Demand Response Operations, Maintenance & Safety | Advisory / Consulting | Develop and implement contract monitoring controls to automate the Quality Assurance (QA) activities related to contractor monthly performance requirements and related billings. | 250 |
| 12 | GRC (Governance Risk & Compliance) - UT Interns on Safety Dept | Advisory / Consulting | Develop and implement a GRC Safety Risk Register that is interfaced to OrbCAD Incidents/Accidents; Everbridge Incidents/Accidents; Employee Safety Reporting System (ESRS); and periodic Safety Inspection Reports. | 250 |
| 13 | Bus Parts Management & Controls | Assurance | Review Bus Parts controls related to the purchase, storage, consumption of bus parts including physical inventory controls. | 350 |

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|----|---|-----------------------------|---|-----|
| 14 | New MV Transit Contract Model | Advisory / Consulting | Assess the performance management controls in the contract and the effectiveness of how it has been implemented and evaluate for opportunities to improve the new contract model. | 400 |
| 15 | Miscellaneous Revenue Controls | Assurance | Review the design and operating effectiveness of internal controls to ensure the completeness and accuracy of miscellaneous revenue. | 350 |
| 16 | NIST Cybersecurity Framework (Facilitated Self-Assessment) | Assurance | Check for compliance with best practices listed in the NIST Cybersecurity Framework | 300 |
| 17 | Annual Cybersecurity Review | Assurance | Annual Cybersecurity Assessment with outsourced IT Penetration & Vulnerability Assessment | 200 |
| 18 | Benchmarking Policies & Procedures (Structure, Content, Governance & Training) | Advisory / Consulting | Benchmark CapMetro Policies/Procedures against other transit agencies and best practices in regard to structure, content, governance and training. | 250 |
| 19 | Support to Transit Industry & Professional Organization | Continuous Improvement & QC | Internal special projects including support of local and industry professional associations (ISACA, IIA, APTA, ALGA, Toastmaster, etc.), responding to professional exposure drafts, internal training and other internal quality improvement opportunities as needed. UT Audit Intern Program (Fall & Spring). | 240 |
| 20 | Management Requests, Consulting & Special Projects 1) Advisor on various Committees; 2) Investigations; 3) Emerging Risks & Special Projects as requested, etc.. | Advisory / Consulting | Internal auditing best practices include allocating an undesignated contingency for management requests and other unanticipated special projects. | 600 |

TOTAL ESTIMATED HOURS

6,370

Project started in FY2022

UT Intern projects Fall 2022

TABLE 2 – FY2023 Contingency Audit Projects (To Be Used as Backups)

| # | Audit Project | Audit Type | Audit Objective & Scope | Estimated Hours |
|---|--|----------------------|--|-----------------|
| 1 | Hexagon (Infor) System - post go live review | Assurance | Review internal controls and functionality of the new Infor enterprise asset management system. | 250 |
| 2 | Salary Adjustment & Merit Process | Assurance & Advisory | Review the process and controls applied to implement the recommendations from Gallagher consulting. | 200 |
| 3 | AMP Cards & New Fare Structure | Assurance & Advisory | Review process and technology controls to ensure the new AMP Card and fare structure rolls out smoothly with appropriate internal controls | 400 |
| 4 | Paratransit & Demand Response Operations | Assurance | Review MTM billings and support for compliance with contract terms and conditions. | 240 |
| 5 | United Healthcare & Other Self-Insured Benefits (TPA Payments) | Assurance | Assessing the Effectiveness and Efficiency of Management Processes to Prevent and Detect insurance overpayments/fraud. Review self-insured TPA (Third Party Administrator) payments. | 240 |
| 6 | Bytemark - Account-Based System | Assurance | Bytemark system being updated to include customer account-based info which increases privacy risks. | 240 |
| 7 | Microsoft SharePoint & Active Directory | Assurance | The confidentiality, integrity and availability of the Microsoft Active Directory and SharePoint. | 250 |

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|----|--|-----------------------|---|-----|
| 8 | Safety Management System (SMS) - Management of Change | Advisory / Consulting | Compliance with FTA requirements related to safety and "management of change". | 400 |
| 9 | McKalla Station | Assurance | Review the procurement and construction process for compliance with contracts, policies, procedures and regulatory requirements. | 350 |
| 10 | MetroBike Program | Assurance | Review the adequacy and operating effectiveness of the internal controls over the MetroBike Program. | 300 |
| 11 | Bus Electrical Vehicle Program & Infrastructure | Advisory / Consulting | Review project plans related to the EV Bus Program and evaluate where policies/procedures will need to be defined to properly support the EV fleet. | 400 |
| 12 | Rail-FRA PTC Change Management Requirements (Herzog) | Advisory / Consulting | Review compliance with the FRA's change management record keeping required for all system components and records. | 300 |
| 13 | Demand Response North Base Facility Build - FY25 Opening | Advisory / Consulting | Review requirements and design management controls and related procurement activities for compliance with policies/procedures. | 300 |

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|-------------------------------------|--|-----------------------|---|---------------------|
| 14 | Spare Labs.com - Demand Response System Implementation | Advisory / Consulting | Review requirements and design management controls and related procurement activities for compliance with policies/procedures. | 250 |
| 15 | MetroRapid Startup - June 2023 | Advisory / Consulting | Review plans, contracts and training related to the MetroRapid Startup. | 300 |
| 16 | Board Policies/Goals - Monitoring & Reporting (e.g., OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.) | Assurance | Review Board policies/goals to ensure that they are periodically reviewed and updated, and that related performance metrics are tracked and reported. | 300 |
| <i>TOTAL ESTIMATED HOURS</i> | | | | <i>4,720</i> |

TABLE 3 – FY2022 Risk Assessment Survey Results

| | Response | Average (A) Impact | Average (B) Likelihood | (A x B) (Residual Risk) | (D) Mitigating Controls | Accept Risk | Requires Plan | "Requires Plan" Recommendations to improve Risk Management Activities |
|--|--|--|------------------------|---|---|-------------|---------------|---|
| 1 | Project Connect - Scope / Schedule / Cost | 8.80 | 8.30 | 73.0 | Project Connect Implementation office; FTA Requirements; Community & Stakeholder engagement; Technical work by professionals; PMOR under contract responsible for development of PMF which addresses risks; Resources & Funding to support initiative; PMF to be developed; Agency wide planning and documentation; Additional procurements for services, rolling stock, etc.. | 0 | 10 | Implement FTA Requirements; Need specific policies/procedures for Project Connect; Coordination & Alignment with City Council; Integration with new EPPM System; Need roles and responsibilities better defined so accountabilities are crystal clear; Better integrate holistic execution plan since currently too many disjointed initiatives are underway without a true focal point to ensure these initiatives are properly coordinated; Proactively develop design guidelines and project management tools that ensure the proper balance of initial and life cycle costs and ensure contract requirements are fully met; Ensure better protocol is in place to ensure public notifications are fully achievable and overall deliverables are properly coordinated. Solidify and clarify CapMetro role in delivery of Project Connect projects and ensure that proper resources are available to meet those needs including execution of MetroRapid, MetroRail and ancillary projects and design and O&M costs/needs incorporated into Light Rail projects. |
| 2 | ATP, COA & CapMetro - Leadership & Governance | 8.30 | 8.20 | 68.1 | Create Value add and some reliance on development of the initial projects to negotiate agency sponsorship in NEPA and Project Development with ATP. (I'm not sure what the prior sentence means) Continue to establish relationships at similar levels/positions among the parties to discuss and address specific topics/issues and governance roles and responsibilities. | 2 | 8 | Develop agreements to memorialize the parties' respective roles and funding obligations. Co-create sign off of major milestone delivery. |
| 3 | Project Connect Funding Model (ATP, COA, CapMetro) | 8.30 | 7.80 | 64.7 | Regular and continued collaboration among parties to update funding model and determine use of Project Connect funds among projects in the program | 1 | 9 | Develop agreements to memorialize the parties' respective roles and funding obligations. Co create sign off of major milestone delivery. |
| 4 | Delivering on Project Connect Public Commitments | 7.70 | 8.10 | 62.4 | Continued communication and coordinated public engagement and messaging that ensures the public understands how the updated plans meet the commitments | 2 | 8 | We committed in the contract with the voters and subsequent documents to deliver a program of projects with scope/schedule and budget? Value Develop a plan for Tri-party communication coordination and collaboration. |
| 5 | Workforce Shortage, Competition & Development | 7.40 | 7.80 | 57.7 | Tool developed by BCG for workforce planning Increases in starting pay for frontline bus and maintenance employees. Resources to supplement talent acquisition staff; executive recruiter, professional and frontline staff recruitment contract, one dedicated company to fulfill temporary employee needs. Partnership with marketing team to develop and deploy aggressive marketing campaigns. Innovative hiring incentives including increased hiring bonuses, referral bonuses, relocation and temporary housing. | 1 | 9 | Hire replacement for Director Workforce Development to focus on partnership building and buildout of short and long range workforce strategic plan. ILA with Workforce Capital Area to create a partnership and talent pipeline. Update CapMetro staff compensation structure to ensure competitiveness. |
| 6 | Employee Retention & Succession Planning | 7.20 | 7.30 | 52.6 | TTI Bus Operator retention study. Development of leadership training plan. Employee Engagement Survey. Competitive merit increase budgeted for FY 23. Frontline employee pay in fixed route increased to be more competitive. | 0 | 10 | Employee promotion, advancement and general succession planning is constrained by HR processes that focus on the transaction rather than the needs of the agency and departments. Recruiting a Director of Workforce Development; developing a recruiting strategy with the Marketing team; Starting pay and retention pay requires more; Improved attract and retain program including delipitated facilities; More competitive compensation; Improved program to reward and differentiate top performers; Change management to eliminate perception of this is how it has always been done even though not best practice, money does not exist to properly achieve expected results, and learn to accept lower expectations. Need 360 performance reviews. P&C is looking at administrative pay for all employees to ensure it is competitive with market. |
| 7 | Management contractor Performance & Cap Metro Management of service delivery | 7.50 | 6.90 | 51.8 | Contract & Oversight; PDCs Employee engagement; QA in contracts & periodic audits; Contract Management Plans; Contract Monitoring Plans created by PMs; Mode-specific oversight in place; Software (GRC & Contract Performance Mgt) is in the works to help manage this; | 0 | 10 | Fine-tune what CapMetro can impact and what contractors should control; Improve and automate MV's incident/accident reporting to improve timeliness and accuracy. Continue to clarify the roles and responsibilities of both MV and CapMetro with CapMetro's responsible for the day to day service delivery and MV responsible for Employee management and safety incident and accident reporting. Roles have been established with an immediate focus on the delivery of service. Over the next year, those roles need to be codified in writing. Development of scope for new management contract model with defined Performance and disincentives based on refined contractor responsibilities. Train and refine duties of existing Q/A and management staffing. Fine Tune recruiting strategy to include an industry hard look at work environment. Utilize the third party to survey employees and assist in developing a plan to attract and retain Operators and Mechanics; CapMetro leadership is developing a joint plan with MV to address performance issues; Training program to develop and improve access skill levels of incumbent employees. A Governance Risk & Compliance software is being deployed to help with contract monitoring. |
| 8 | Recession &/or Inflation | 6.20 | 6.20 | 38.4 | Sales tax budgeting is conservative. | 5 | 5 | Salary review for all employees will occur to ensure competitive with market. |
| 9 | Funding Through Sales Taxes & FTA Grants | 6.70 | 5.40 | 36.2 | Sales tax budgeting is conservative. Pursuing all relevant grants available to CapMetro. | 1 | 9 | |
| 10 | Ridership Levels & Creating a Culture of Ridership | 5.40 | 6.30 | 34.0 | Identify new core ridership segments and review dormant commuter market, establish new baseline for bus, Rapid, rail, event, pickup and review with FY 2023 budget to develop recommendations on how best to market and incentivize while also leveraging the new fare program to attract more riders. | 3 | 7 | Marketing strategy targeting commuters and appealing to the low price of transit as compared to car ownership; sustainable plan for the unhoused and non-destination rides, re-open dialogue with employers. Development of long-term strategy for Pickup service. Develop the new baseline for bus service (local and commuter) based on changes within the work space that have become the new normal. A clear understanding of what service levels we are offering based on service demands. |
| 11 | IT Risks & Cybersecurity | 6.90 | 4.80 | 33.1 | IT Policies/Procedures; Internal/External Audits; Ongoing training for employees; Position allocated to address Cyber Security; Monthly IT Security Review Meeting; | 1 | 9 | Cyber Security Program; Develop Plan for external threats (virus, ransomware, etc); Ensure Cybersecurity and IT have the right resources, necessary experience level, established standards and guidelines, and procedures to properly engage in all software implementations and increased technological solutions that will be forthcoming at CapMetro in an exponential way. |
| 12 | Lack of Focus due to Fast Growing Priority Lists (ST vs LT) | 5.90 | 5.60 | 33.0 | Development of updated strategic plan; KPIs being developed to measure Actions from updated Strategic Plan. Plan will be updated for FY24. SET established priorities for FY23 from Strategic Plan and will cascade Actions. | 4 | 6 | Opportunity for better planning and systematic approaches; plans still in development but required; Need to do more as it relates to adoption and cascading strategic priorities down through the organization. |
| 13 | Reputation/Credibility/Identity Management | 6.60 | 4.90 | 32.3 | Community Outreach & Connectivity; Value of Transit marketing and messaging; Process in place for escalation; Brand Refresh Continuation; Passenger experience improvements; Proactive storytelling strategy; Leveraging new Dashboards for public transparency; Public Affairs strategies in alignment with Government Affairs | 2 | 8 | Continued community outreach & engagement; Focus on the risks identified in this survey together with service providers and partners; Development of Diversity, Equity and Inclusion Program to encourage managers and operations team to be more involved in community engagement activities, not just our CE staff; Community sponsorships aligned with CapMetro's mission and provide opportunities for engagement/marketing; Work with Gov. Affairs to strengthen CapMetro's positions and community awareness. |
| 14 | Safety of Operations | 6.80 | 4.70 | 32.0 | Safety Policies & Training; Ops Procedures; Ops Mgt; Safety Plans; Oversight from Mgt, Fed, State & Contractors; Accountability & PDC's; Reg Requirements for Safety Plan; SMS in place; SMS plan in development for new FTA Requirements; Passenger Safety Initiatives planned; | 2 | 8 | Improved driver training & mgt; Continued focus on safety systems/policies; Complete required Safety Plan; Develop System Safety Program Plan; Develop improved safety plans, procedures, protocols, policies, and training programs. Continue rollout of Battery Electric bus safety training. Ensure safety plans evolve with technology in a timely manner. |
| 15 | Lack of Resources & Visibility/Utilization Across Departments | 5.00 | 5.89 | 29.5 | Process for requesting and approving additional staffing or other resources during annual budget process | 4 | 6 | Improving workforce planning tools and support for department to identify both ST and LT staffing plans; The Strategic Plan will help address this. Dashboards for each department on Central. Develop communications plan. |
| 16 | Lack of Policies/Procedures Across CapMetro | 4.60 | 5.00 | 23.0 | Effect of lack of policies is to slow down the gears of business, though that is not to say work stops entirely. Some mitigating controls include Friday SET and SLT meetings, and Project Connect which will help surface issues so that they may be addressed. Implementation of new employee policy manual. | 2 | 8 | Project Connect there will likely be a need for some new policies/procedures; Onboarding of new hires requires comprehensive policies/procedures to help facilitate training; A facilitated review of procedures in Procurement and P&C Depts will be performed; Being systematic on approaches and processes; As growth occurs it will be more important to have the proper policies, protocols, procedures, and tools in place to achieve success. Determine how relevant our P&P is. |
| 17 | COVID-19 & Variants Impacts | 3.50 | 4.10 | 14.4 | Agile service planning; Innovative customer technology updates, including contactless fare collections; and state of art cleaning; real time social distancing support; strong communication program to build customer confidence | 9 | 1 | Vaccine distribution for CapMetro employees and contractors; remain agile to adjust to COVID variants; and continue vaccine program; emphasize COVID facts to employees including testimonials from family members; health fair has been put in place; COVID Task Force has been reactivated; As the various vaccines (Pfizer) become FDA approved, work toward a mandatory vaccine within the governmental authority; |
| Severity of Impact (Rating of 0 to 9) | | Likelihood of Occurrence (Rating of 0 to 9) | | Here are the standard definitions of the two concepts. | | | | |
| Minor/Green = 0 to 3 | | Remote/Green = 0 to 3 | | Inherent risk represents the amount of risk that exists in the absence of controls. | | | | |
| Moderate/Amber = 3.1 to 6 | | Possible/Amber = 3.1 to 6 | | | | | | |
| Critical/Red = 6.1 to 9 | | Likely/Red = 6.1 to 9 | | Residual risk is the amount of risk that remains after controls are accounted for. | | | | |