



SORTA/Metro  
Finance Committee  
April 21, 2026  
8:30 am-9:00 am Eastern Time

**FINANCE COMMITTEE**

TUESDAY, APRIL 21ST, 2026 – 8:30 A.M.

SORTA/METRO AT HUNTINGTON CENTER

6th FLOOR SORTA BOARD ROOM

525 VINE STREET

CINCINNATI, OHIO 45202

**General Items:**

Call to order

Pledge of Allegiance

- 1 Approval of Finance Committee Minutes: February 17th, 2026

**Briefing Items:**

- 2 Financial Results as of March 31st 2026 (Tim Walker)
- 3 Payroll ITGC and Payroll Audit Presentation (Clark Schaefer)
  - 3.1 Report:
- 4 Internal Audit Update (Norman Bouwie III)

**Action Items:**

- 5 Approval of Investment of Funds Report as of February 28th 2026 (Tim Walker)
- 6 Approval of Investment of Funds Report as of March 31st 2026 (Tim Walker)

**Other Items:**

New Business

Adjournment

The next regular meeting of the Finance Committee has been scheduled for

**Tuesday, May 19th, 2026, at 8:30 a.m.**

FINANCE COMMITTEE  
TUESDAY, FEBRUARY 17<sup>th</sup>, 2026 – 8:30 A.M.  
SORTA/METRO AT HUNTINGTON CENTER  
6<sup>th</sup> FLOOR SORTA BOARD ROOM  
525 VINE STREET  
CINCINNATI, OHIO 45202

COMMITTEE MEMEBERS APPOINTED: *Chelsea Clark (Chair), Jay Bedi, Trent Emenecker, Neil Kelly, Sonja Taylor, Kala Gibson, and Greg Simpson*

COMMITTEE/BOARD MEMBERS PRESENT: Jay Bedi, Tony Brice, Chelsea Clark, Blake Ethridge, Pete Metz, Briana Moss, Sara Sheets and KZ Smith

COMMITTEE MEMBERS ABSENT: Tianay Amat, Dan Driehaus, Trent Emenecker, Kala Gibson, Neil Kelly, Greg Simpson, Rickell Smith and Sonja Taylor

STAFF MEMBERS PRESENT: Andy Aiello, Norman Bouwie, Patrick Giblin, Adriene Hairston, Brandy Jones, Natalie Krusling, Sharyn Lacombe, Bradley Mason, Jeff Mundstock, Alex Osbourne, John Ravasio, Jason Roe, Tony Russo, Kevin Ruth, Khaled Shammout, Bill Spraul, Tim Walker and Mike Weil

OTHERS PRESENT: Curtis Sohn and Justin Stuehrenberg (SRF Consulting Group), Kim Schaefer (Vory's)

1. **Call to Order**

Ms. Clark called the meeting to order.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

3. **Approval of Minutes of January 20<sup>th</sup>, 2026**

Ms. Clark moved, and Mr. Metz seconded that the minutes from January 20th, 2026, be approved.

By voice vote the committee approved the minutes.

4. **Financial Report as of January 31<sup>st</sup>, 2026**

Mr. Walker presented the January financial results. Total revenues were \$13.4 million, which was unfavorable to budget by \$129K. Total expenses were \$14.4 million, which is favorable to budget by \$492k. Operating Capital Contribution was \$1.1 million, which was favorable to budget by \$363k. Ridership was 1,020k, which was unfavorable to budget by 3k. Mr. Walker then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

5. **Fuel Hedging Program and Activity Presentation**

Mr. Ruth presented the fuel hedging program and activity presentation.

The Committee accepted the report as presented.

6. **Approval of Investment of Funds Reports as of January 31<sup>st</sup> 2026**

Mr. Walker presented the January report noting the yields of SORTA 4.15% for January compared to the prior month of 4.13% for the month of December.

Mr. Walker presented the report noting yields for the Infrastructure Transit Fund of 4.01% for January compared to the prior month of 4.07% for the month of December.

Ms. Clark moved, and Mr. Metz seconded the Investment of Funds as of January 31<sup>st</sup>, 2026.

By voice vote the committee approved the report.

The Committee approved the report as presented.

7. **Proposed Resolution: Approval of Updated Fuel Hedging Policy**

Mr. Walker requested approval of the updated fuel hedging policy.

Ms. Clark moved and Mr. Metz seconded the approval of the purchase threshold increase.

The Committee agreed to recommend the resolution to the full Board for approval.

8. **New Business**

N/A

9. **Adjournment**

The meeting adjourned at 8:50 A.M.



# Financial Summary

April 21, 2026



**metro**  
your way to go

## Agenda – Financial Summary

- Statement of Operations for March '26
  - Key Drivers
  - Detail Profit & Loss Statement
  - County Sales Tax Trend
- Cashflow and Obligation Report
- Investment Balance Update

# Profit & Loss – Summary / Key Drivers

## Summary

- Total Revenue \$15.3M - unfavorable to Budget (\$328k) or (2.1%)
- Total Expense \$14.2M - favorable to Budget \$185k or 1.3%
- Operating Capital Contribution \$1.2M - unfavorable to Budget (\$143k)
- Note: Ridership total is 1,172k – unfavorable to Budget (34k) or (2.8%)

## Revenue

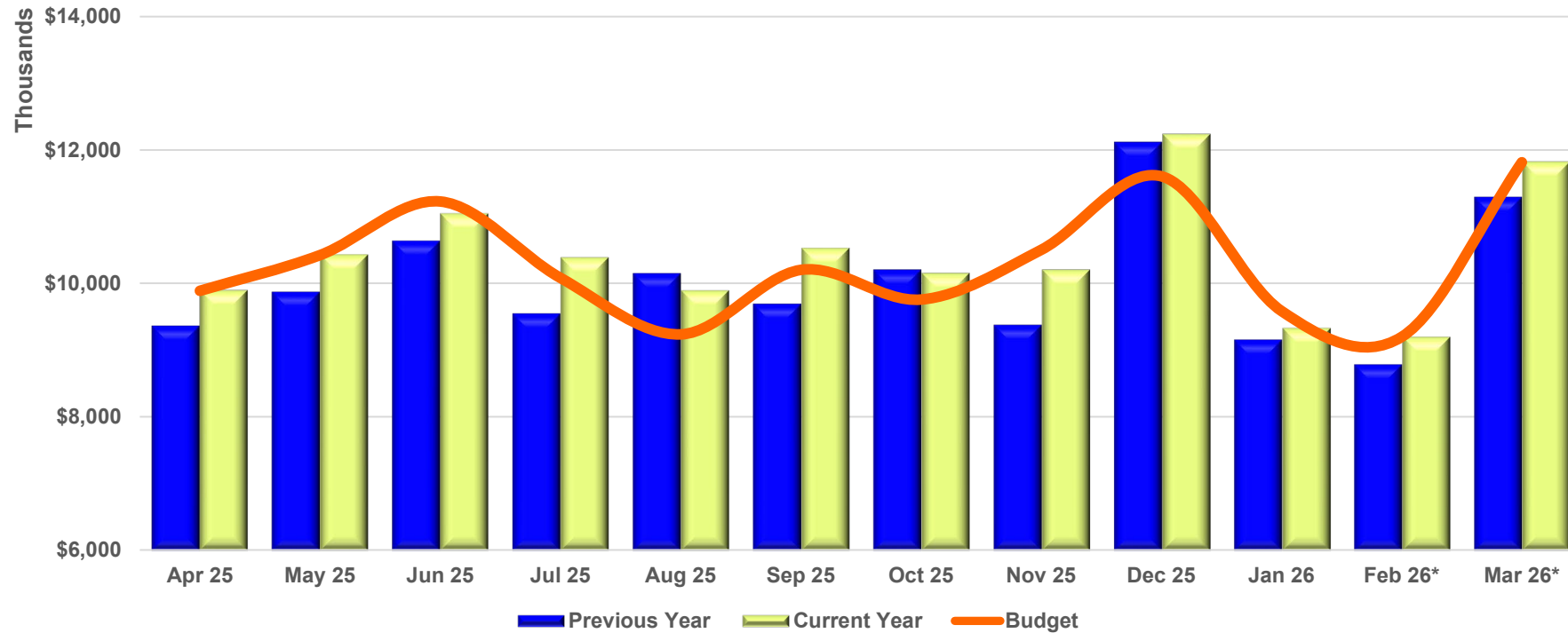
- Total Operating Revenue \$1.8M - unfavorable to Budget (\$12k) or (0.7%)
- Non-Transportation \$0.5M – unfavorable to Budget (\$60k) or (10.9%)
- County Sales Tax \$11.6M – unfavorable to budget (\$255k) due to receipt of January actuals
- Federal Grants \$1.5M - on Budget

## Expense

- Wages & Benefits \$10.5M - unfavorable to budget (\$83k) or (0.8%)
- Fuel and Lubricants \$551k - favorable to budget \$105k or 16.0%
- Parts & Supplies \$1,032k – unfavorable to Budget (\$48k) or (4.9%)
- All Other \$2.1M – favorable to Budget \$202k

3 Mos Ending Mar 31, 2026 (\$ In Thousands)	Month				Year to Date				
	Actual	Budget	Fav(Unfav)		Actual	Budget	Fav(Unfav)		Prior Year
<b>Ridership</b>									
Regular	982,485	1,004,365	(21,880)	(2.2%)	2,677,485	2,746,045	(68,560)	(2.5%)	2,638,873
CPS	158,302	170,000	(11,698)	(6.9%)	466,326	490,000	(23,674)	(4.8%)	481,200
Subtotal Fixed Route	1,140,787	1,174,365	(33,578)	(2.9%)	3,143,811	3,236,045	(92,234)	(2.9%)	3,120,073
Access	15,965	15,830	135	0.9%	43,721	43,216	505	1.2%	41,413
MetroNow!	15,481	16,200	(719)	(4.4%)	42,572	46,500	(3,928)	(8.4%)	30,484
<b>Total Ridership</b>	<b>1,172,233</b>	<b>1,206,395</b>	<b>(34,162)</b>	<b>(2.8%)</b>	<b>3,230,104</b>	<b>3,325,761</b>	<b>(95,657)</b>	<b>(2.9%)</b>	<b>3,191,970</b>
<b>Operating Revenue</b>									
Metro Fares	\$ 1,102	\$ 1,124	\$ (22)	(2.0%)	\$ 3,131	\$ 3,426	\$ (295)	(8.6%)	\$ 3,086
Access Fares	66	59	7	11.6%	183	166	18	10.6%	151
MetroNow! Fares	39	35	4	10.6%	111	105	6	5.9%	61
CPS Fares	388	411	(23)	(5.6%)	1,222	1,364	(142)	(10.4%)	1,242
Other Contract Revenue	217	194	22	11.5%	622	568	54	9.4%	566
<b>Total Operating Revenue</b>	<b>1,811</b>	<b>1,823</b>	<b>(12)</b>	<b>(0.7%)</b>	<b>5,269</b>	<b>5,629</b>	<b>(360)</b>	<b>(6.4%)</b>	<b>5,106</b>
<b>Non-Operating Revenue</b>									
County Sales Tax	11,560	11,815	(255)	(2.2%)	30,340	30,595	(255)	(0.8%)	28,950
Federal Subsidies	1,476	1,476	-	-	4,428	4,428	-	-	4,539
Non Transportation	496	556	(60)	(10.9%)	1,540	1,675	(135)	(8.1%)	1,961
<b>Total Non-Operating Revenue</b>	<b>13,532</b>	<b>13,847</b>	<b>(315)</b>	<b>(2.3%)</b>	<b>36,308</b>	<b>36,698</b>	<b>(390)</b>	<b>(1.1%)</b>	<b>35,450</b>
<b>Total Revenue</b>	<b>15,343</b>	<b>15,671</b>	<b>(328)</b>	<b>(2.1%)</b>	<b>41,577</b>	<b>42,327</b>	<b>(750)</b>	<b>(1.8%)</b>	<b>40,556</b>
<b>Expenses</b>									
Employee Wages & Benefits	10,490	10,406	(83)	(0.8%)	31,474	31,184	(289)	(0.9%)	29,541
Fuel & Lubricants	551	655	105	16.0%	1,712	1,937	225	11.6%	1,828
Parts & Supplies	1,032	984	(48)	(4.9%)	2,881	2,992	111	3.7%	2,676
Everybody Rides Metro Fund	26	35	9	26.4%	72	105	33	31.7%	59
Other	2,083	2,286	202	8.9%	5,784	6,467	682	10.5%	6,016
<b>Total Expenses</b>	<b>14,182</b>	<b>14,366</b>	<b>185</b>	<b>1.3%</b>	<b>41,923</b>	<b>42,686</b>	<b>763</b>	<b>1.8%</b>	<b>40,120</b>
<b>Operating Capital Contribution</b>	<b>\$ 1,161</b>	<b>\$ 1,304</b>	<b>\$ (143)</b>		<b>\$ (346)</b>	<b>\$ (358)</b>	<b>\$ 13</b>		<b>\$ 436</b>

# County Sales Tax – Year to Date



(\$000's)	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26 *	Mar 26 *
Current Year	\$9,895	\$10,429	\$11,042	\$10,384	\$9,891	\$10,526	\$10,151	\$10,201	\$12,230	\$9,329	\$9,196	\$11,815
Budget	\$9,887	\$10,423	\$11,227	\$10,081	\$9,234	\$10,201	\$9,756	\$10,501	\$11,605	\$9,584	\$9,196	\$11,815
Previous Year	\$9,366	\$9,875	\$10,636	\$9,551	\$10,149	\$9,696	\$10,205	\$9,380	\$12,116	\$9,159	\$8,788	\$11,291

\* February through March of 2026 are recorded at estimates based on current year trends due to the delay in reporting from State Office

# Cashflow and Obligation Report

Overnight Investments	\$17,828,739
Securities & CD's	\$108,733,207

<b>Total All Securities (3/31/2026)</b>	<b>\$126,561,946</b>
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## Current Capital Reserve Obligations

<i>BRT Project Development (Hamilton &amp; Reading Corridors) - Amts Pd</i>	\$26,869,327
<i>Future BRT Capital Match (Fed 70% &amp; Local 30%)</i>	\$40,500,000
Total BRT	\$67,369,327
Local Match - FTA and ODOT Grants	\$9,698,237
100% Local Projects ( <i>Prior Years Open + Current Year</i> )	\$26,619,105
2 Months of Operating Expenses	\$26,000,000
All Other Obligations	\$3,500,000
<b>Total Current Capital Reserve Obligations</b>	<b>\$133,186,669</b>

<b>Net Unrestricted Securities Available</b>	<b>(\$6,624,723)</b>
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2026 Remaining Operating Budget Surplus (Deficit) Apr-Dec	\$7,229,000
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<b>Net Unrestricted Securities + '26 Operating Budget Surplus</b>	<b>\$604,277</b>
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# Paycor IT General Controls & Limited Scope Payroll Audit

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Board Presentation | April 21, 2026

*Prepared by Clark Schaefer Consulting*

# | Scope & Objectives

## Engagement Objectives

- Assess the effectiveness of IT general controls within the Paycor, STATS, and Trapeze platforms
- Evaluate payroll processing and timekeeping controls for compliance with applicable union contracts
- Identify areas for improvement to reduce exposure to operational, financial, and compliance risks
- Provide actionable recommendations to strengthen SORTA's internal control environment

*Standards: FFIEC IT Examination Handbook | COBIT (ISACA) | Applicable Union Contracts*

## Audit Scope | Limited

⚠ This was a limited scope engagement. Testing was confined to specific systems, time periods, and union contract provisions as agreed with SORTA management.

<b>Systems:</b>	Paycor (payroll), STATS [Access Division], Trapeze [Operators Division]
<b>Payroll:</b>	Timekeeping and payroll processing controls; limited transaction testing
<b>IT Controls:</b>	User access, password policies, SOC report oversight, and change management
<b>Contracts:</b>	Union contracts for STATS and Trapeze divisions; timesheet coding compliance
<b>Period:</b>	Review performed in support of contract and system updates for a sample of pay periods in 2025

## Overall Audit Result



**Overall Rating**

### **Strong**

Meets or exceeds SORTA standards; controls fully implemented

### **Satisfactory**

Meets SORTA standards; minor findings, no significant risk

### **Needs Improvement**

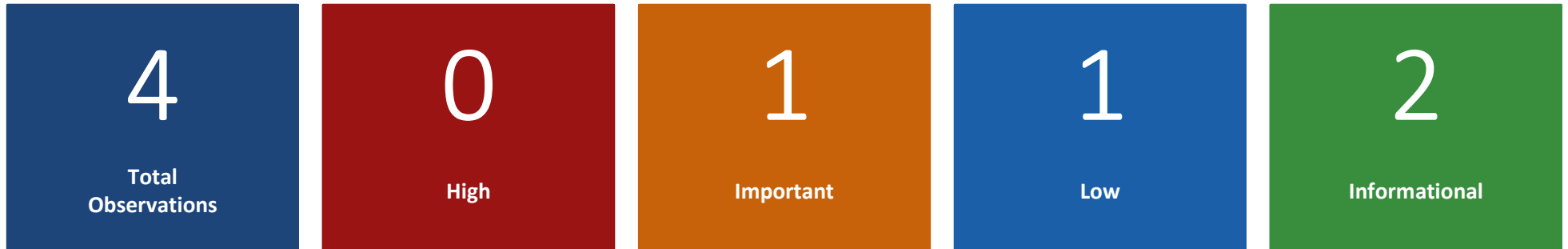
Does not meet standards; important issues identified

### **Unsatisfactory**

Significant non-compliance; high risk to operations

*SORTA has established foundational practices for IT general controls and payroll processing. CSC identified targeted areas for enhancement that, if addressed, will further reduce operational and compliance risk exposure.*

## Summary of Observations



High	Important	Low	Informational
Significant non-compliance; may result in legal, financial, or reputational harm if not addressed immediately.	Partial compliance or procedural gaps that could lead to non-compliance if not corrected. Moderate operational impact.	Minor issues or deviations from best practices with limited impact. Typically administrative or easily correctable.	Opportunities for improvement or enhanced controls. Do not represent non-compliance.

Key Process Area	High	Important	Low	Informational
Timekeeping & Attendance Management	0	0	0	1
User Access & System Security	0	1	0	1
Third-Party Risk Management	0	0	1	0
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>

# Observation 1: User Access Review

**⚠ IMPORTANT**

*Routine User Access Review | System: STATS*

## OBSERVATION

**10 of 19 users** with administrative access do not require elevated privileges for their roles. No formal recurring user access review process exists for the STATS system.

## RISK

- Principle of least privilege not currently in use

## RECOMMENDATION

- Implement quarterly formal user access review for the STATS system
- Remove administrative access from the 10 users who do not require it

Management Response: Agreed. Will audit STATS access and implement a recurring review. | Owner: Pat Giblin | Deadline: March 31, 2026

## Observation 2: SOC Report Review Process

**i** LOW

Third-Party Risk Management | Vendor: Paycor

### OBSERVATION

SORTA has an informal process for SOC 2 report review but does not routinely collect or review SOC 1 reports from vendors impacting Internal Controls over Financial Reporting (ICFR). Paycor — which directly affects payroll processing and financial reporting — has not had a recurring SOC 1 review performed.

### RISK

- Unsupported reliance on vendor controls
- Unaddressed Complementary User Entity Controls (CUECs)
- Potential for increased cybersecurity exposure that may adversely affect financial reporting accuracy and regulatory compliance

### RECOMMENDATION

- Annual SOC 1 Type II reviews for Paycor and similar vendors impacting ICFR
- Formalize SOC 2 Type II review into SORTA's Third Party Risk Management Program
- Identify and track Complementary User Entity Controls (CUECs)

Management Response: Agreed. Will incorporate annual SOC 2 review into SORTA's Cyber Security Program. | Owner: Pat Giblin | Deadline: March 31, 2026

## Observation 3: Access Division Manual Time Adjustments

**i** INFORMATIONAL

*Timekeeping & Attendance Management | System: STATS*

### OBSERVATION

Approximately 150 driver timesheets are manually updated daily by 2–3 staff. No secondary review is performed on these edits before payroll processing. Most approvals were made by the same individual. No coding errors were identified and staff demonstrated strong knowledge of union contract rules.

### RISK

- Without a secondary review of manual edits, errors in pay code application could lead to incorrect payroll calculations
- The daily volume (150 timesheets) amplifies the potential impact

### RECOMMENDATION

- Implement a formal two-person review process: a second, independent reviewer should approve manual timesheet edits before payroll processing, with documented evidence of the separate approval.

Management Response: Not provided prior to issuance — will be escalated to executive leadership. | Owner: Lisa Aulick | Deadline: Not Provided

## Observation 4: Password Policies

**i** INFORMATIONAL

User Access & System Security | Systems: Trapeze & STATS

### OBSERVATION

Current password configurations in Trapeze and STATS do not align with Center for Internet Security (CIS) recommendations. STATS has multiple disabled security controls including password complexity, history, and age settings. Trapeze's minimum password length (8 characters) falls below the 14-character CIS threshold.

### RISK

- Weak or reused credentials increase the risk of unauthorized access, data breaches, and regulatory non-compliance

### RECOMMENDATION

- Align Trapeze and STATS password settings with CIS best practices by replicating SORTA's existing SSO policy
- Implement automated enforcement and periodic compliance audits

Management Response: Agreed. Will replicate SSO password policy into STATS & Trapeze and update the overall password policy. | Owner: Pat Giblin | Deadline: March 31, 2026



**Paycor IT  
General Controls  
and Limited  
Scope Payroll  
Processing Audit**

**March 2, 2026**

**Proprietary and Confidential**

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## Executive Summary

The Southwest Ohio Regional Transit Authority (SORTA) is the public transportation agency serving Cincinnati and its surrounding suburbs in Ohio. Operating as "Metro," SORTA provides a range of transit services including fixed-route buses, micro transit, and paratransit services. SORTA is committed to providing safe, reliable, and convenient transit options that support the community's needs and connect people to jobs, education, healthcare, and more.

In support of this mission, SORTA management is dedicated to maintaining strong internal controls that address risk, ensure compliance, and help achieve business objectives. As part of ongoing efforts to strengthen these controls, SORTA engaged Clark Schaefer Consulting (CSC) to conduct a limited internal audit scope of Access [Stats] Division, Operators [Trapeze] Division, and related payroll process after recent updates to respective union contracts and related IT processes within the supporting systems. The objective was to assess the effectiveness of current practices, identify areas for improvement, and reduce exposure to operational, financial, and compliance risks.

CSC's review found that while SORTA has established foundational practices for payroll and IT, several key areas require enhancement. Timekeeping processes lack secondary review of manual timesheet edits. Access management controls are insufficient, with outdated permissions and inadequate segregation of duties across systems. Vendor oversight is limited due to the absence of routine SOC 2 report reviews, and password configurations do not meet industry standards, elevating the risk of unauthorized access.

### Scope & Objective

Our audit methodology was grounded in the standards outlined by the Federal Financial Institutions Examination Council (FFIEC) Information Systems Examination Handbook, which helped define the scope, methodology, and testing procedures. We also incorporated best practices from the Control Objectives for Information and Related Technology (COBIT) provided by the Information Systems Audit and Control Association (ISACA), ensuring comprehensive coverage of all relevant IT control areas. In addition, our limited scope internal audit was guided by related Union contracts for Stats and Trapeze, ensuring timesheets are coded in accordance with the contracts.

## Methodology

CSC utilized experienced consultants with expertise in internal audits to achieve the objectives of this engagement. The methodology for this review included the following steps:

### 1. Engagement and Understanding

- Conducted interviews with SORTA management and designated personnel to understand the IT infrastructure, payroll, and timekeeping processes within the audit's scope.
- Clarified standards for IT security, Operators Division [Trapeze] and Access Division [Stats] controls, and documentation practices.
- Identified responsibilities of key personnel in critical control areas, as well as important timelines, events, and compliance deadlines.
- Determined requirements for final documentation and deliverables.

### 2. Document Examination and Gap Analysis

- Reviewed applicable compliance standards, guidance, and documents provided by SORTA to identify potential gaps in controls.
- Performed corroborative inquiries with relevant personnel to verify and substantiate the information gathered.
- Assessed the systems environment, including hardware assets, key applications, and security frameworks, through inquiries and inspections.

### 3. Control Testing and Validation

- Developed and executed testing procedures to evaluate the design and operating effectiveness of established control activities.
- Inspected documentation and system outputs to evidence the operation and effectiveness of these controls.
- Documented results of testing and supporting evidence for all observations.

### 4. Transaction Testing

- Developed and executed testing procedures to evaluate specific in-scope payroll transactions.
- Inspected documentation and related evidence to conclude transaction was appropriate.
- Documented results of testing.

## Summary of Results

### Audit Rating Definitions

Through review of the identified observations and applied ranking, CSC determined an overall rating for the Paycor IT General Controls and Limited Scope Payroll Processing Audit. The rating scale applied is defined below:

Audit Rating	
Rating	Definition
<b>Strong</b>	The audited area meets or exceeds SORTA standards. The program operates in compliance with applicable regulations, policies, and procedures and controls have been implemented to ensure ongoing compliance.
<b>Satisfactory</b>	The audited area meets SORTA standards. Compliance standards are adequately incorporated within the program. Any findings are minor and do not pose significant risk.
<b>Needs Improvement</b>	The audited area does not meet SORTA standards. The standards in place are not adequate to ensure ongoing compliance within the program. Findings included important issues that may indicate or lead to non-compliance if not addressed.
<b>Unsatisfactory</b>	The audited area does not meet SORTA standards. Significant non-compliance observed. Issues pose a high risk to regulatory, financial, or operational integrity.

### Audit Results

SORTA has foundational practices, procedures and processes for both IT general control and limited scope payroll processes to ensure compliance with union contracts, maintaining a comprehensive access control and account management process. CSC has identified a few areas for potential process/control enhancements that, if implemented, will reinforce existing foundational practices and procedures and reduce SORTA's exposure to risk. As a result, CSC rated the Paycor IT General Controls and Limited Scope Payroll Processing Audit as "**Satisfactory**" based on the observations identified and ranking of observations.

## Observation Ranking Definitions

As CSC conducted testing throughout the audit, observations for improvement were identified. A ranking was applied to each of the identified observations to assist management with review and response. The rankings are defined below to provide insight into the level of criticality of the observation. The ranking for each observation can help inform the development of action plans and timing of implementation.

Observation Ranking	
Rank	Definition
<b>High</b>	Significant non-compliance with regulatory or policy requirements. May result in legal, financial, or reputational harm if not addressed immediately.
<b>Important</b>	Partial compliance or procedural gaps that could lead to non-compliance if not corrected. Moderate impact on operations or reporting.
<b>Low</b>	Minor issues or deviations from best practices with limited impact. Typically, administrative or easily correctable.
<b>Informational</b>	Observations that do not represent non-compliance but suggest opportunities for improvement or enhanced controls.

## Observation Summary

Key Process	High	Important	Low	Informational
Timekeeping and Attendance Management	0	0	0	<b>1</b>
User Access and System Security	0	<b>1</b>	0	<b>1</b>
Third-Party Risk Management	0	0	<b>1</b>	0
<b>Total Observations: 4</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>

## Observations & Recommendations

### Observation 1: User Access Review

Rank: Important

#### Key Process

Routine User Access Review

#### Observation

Formal user access reviews are not currently performed for the Stats system. Although access permissions are assigned based on predefined role-based access controls, there is no documented or recurring process to validate that access remains appropriate over time.

During the review of Stats user access rights, it was identified that 10 out of 19 users with administrative access do not require such elevated privileges to perform their job functions. Additionally, SORTA user permissions lack logical controls to enforce segregation of duties. Users currently have access to both testing and production environments, creating a risk that individuals could promote their own changes without oversight.

#### Risk

The combination of excessive or unnecessary administrative access and the absence of periodic user access reviews significantly increases the risk of unauthorized system changes, data breaches, and insider threats. These practices violate the principle of least privilege and undermine access governance, leading to:

- Unauthorized access to sensitive systems and data
- Accidental or malicious system misconfigurations
- Non-compliance with internal policies and external regulatory requirements
- Compromised data integrity, confidentiality, and availability

#### Recommendation

Management should implement a formalized and recurring user access review process for the Stats system. This process should:

- Be conducted at least quarterly
- Include a complete inventory of users and their access levels
- Validate access against current job roles and responsibilities
- Document any changes made as a result of the review
- Be overseen by IT and internal audit teams to ensure independence and completeness

Administrative access within the Stats system should be promptly removed from the 10 users who do not require it to reduce risk and enforce the principle of least privilege.

### **Management Response**

*We agree with the observation that STATS users do require a review process. We will audit and review the user access for STATS and implement a recurring review.*

*Owner: Pat Giblin*

*Remediation Timeline: March 31, 2026*

**Observation 2: SOC Report Review Process**
**Rank: Low**
**Key Process**

Third-Party Risk Management

**Observation**

SORTA has a process for obtaining and reviewing SOC 2 reports from applicable vendors, but there is an opportunity to formalize the assessments. CSC did note current vendor due-diligence procedures do not include the routine collection or review of SOC 1 reports from vendors whose services impact SORTA's internal controls over financial reporting (ICFR). For this engagement, Paycor—whose services directly affect payroll processing and financial reporting—does not have a SOC 1 report review performed on a recurring basis. As a result, SORTA may not be evaluating key control activities relevant to financial reporting.

**Risk**

Without a formalized and consistently executed process for obtaining, reviewing, and documenting SOC reports, SORTA may lack sufficient assurance over third-party controls that impact both financial reporting and information security.

The absence of routine SOC 1 reviews for vendors impacting internal controls over financial reporting (ICFR), combined with informal or undocumented SOC 2 report evaluations, increases the risk that control deficiencies, testing exceptions, or gaps in vendor control environments go unidentified. This may result in unsupported reliance on vendor controls, unaddressed complementary user entity controls (CUECs), increased exposure to cybersecurity and data protection risks, and non-compliance with leading practices for third-party risk management. Over time, these gaps could adversely affect financial reporting accuracy, system security, regulatory compliance, and operational resilience.

**Recommendation**

SORTA should enhance and formalize its third-party risk management process by establishing a documented, recurring SOC report review procedure for all vendors whose services impact financial reporting or the confidentiality, integrity, or availability of systems and data.

- SOC 1 Type II report reviews for vendors impacting internal controls over financial reporting (ICFR), including Paycor
- SOC 2 Type II report reviews for vendors providing IT, payroll, hosting, or other technology-enabled services
- Defined review criteria, including evaluation of the auditor's opinion, scope and period of coverage, control testing results, noted exceptions, and vendor

remediation activities

- Identification and tracking of Complementary User Entity Controls (CUECs), with assignment of responsibility for implementation within SORTA
- Documentation of review results, conclusions, and any required follow-up actions
- Performance of SOC report reviews at least annually, with defined escalation procedures for significant findings

Where SOC reports are unavailable or not applicable, SORTA should implement and document the use of a standardized vendor security and control questionnaire as an alternative assurance mechanism. This enhanced SOC review process should be incorporated into SORTA's broader vendor risk management and cybersecurity governance framework.

### Management Response

*We agree a more structured approach should be taken to the review of third party provided SOC 2 reports. We have historically pulled and reviewed these from vendors as part of audits. Moving forward we will incorporate the review of SOC 2 reports into an annual process as part of SORTA's Cyber Security Program.*

*Owner: Pat Giblin*

*Remediation Timeline: March 31, 2026*

**Observation 3: Access Division Manual Time Adjustments****Rank: Informational****Key Process**

Timekeeping and Attendance Management

**Observation**

Drivers choose their work schedules three or four times a year, and these choices are entered manually into the Stats system. Every day, two to three staff members make manual updates to about 150 drivers' time sheets to reflect actual work done. Currently, there is no second review after these manual changes. While timesheets are approved before payroll processing, CSC found that most approvals were done by the same person, and there isn't a separate secondary check. No unusual coding was found, and staff showed good understanding of union contract rules.

**Risk**

Without a thorough second review of manual changes, there is a risk of mistakes in applying pay codes, which could lead to payroll being calculated incorrectly.

**Recommendation**

Because so many timesheets are manually adjusted each day, CSC recommends SORTA put in place a formal process to ensure these edits get a second review by a different person before payroll processing. This extra step should be documented to show a separate approval was made.

**Management Response**

*Management did not provide a response to this observation prior to report issuance. Accordingly, no corrective action plan or implementation timeline has been established. This will be communicated to executive leadership and monitored through the audit issue tracking process.*

*Owner: Lisa Aulick*

*Remediation Timeline: Not Provided*

**Observation 4: Password Policies**
**Rank: Informational**
**Key Process**

User Access and System Security

**Observation**

During inspection of SORTA's current configurations for Trapeze and STATS password settings, CSC determined that the following password settings do not align with Center for Internet Security ("CIS") recommendations:

System	Recommended Setting	Actual Setting	Exception Noted?
Trapeze	Minimum Password Length, ( $\geq 14$ characters)	8 characters	Yes
Trapeze	Password History, ( $\geq 24$ passwords remembered)	10 passwords remembered	Yes
STATS	Minimum Password Length, ( $\geq 14$ characters)	8 characters	Yes
STATS	Minimum Password Age, ( $\geq 2$ days)	Disabled	Yes
STATS	Maximum Password Age, ( $>0$ and $<360$ days)	Disabled	Yes
STATS	Password History, ( $\geq 24$ passwords remembered)	Disabled	Yes
STATS	Password Complexity Requirements, (Enabled)	Disabled	Yes

**Risk**

Failure to enforce parameters such as Minimum and Maximum Password Age, Minimum Length, Password History, and Password Complexity Requirements increases the risk of unauthorized access due to weak or reused credentials. This can lead to data breaches, regulatory non-compliance, and reputational damage.

**Recommendation**

CSC recommends that SORTA should consider reviewing and updating password policy configurations, where possible, to align with CIS best practices and regulatory requirements. Automated enforcement and periodic audits should be implemented to ensure ongoing compliance.

### Management Response

*SORTA agrees with the observation and will replicate its current password policy for SSO which more closely aligns to the recommendations from CSH into STATS and Trapeze. Additionally, SORTA will review and update its current password policy and assure that the STATS and Trapeze environments align with the new policy.*

*Owner: Pat Giblin*

*Remediation Timeline: March 31, 2026*



# Internal Audit Updates

April 21, 2026 Norman C. Bouwie III, CPA



# Agenda

- Audit Observations
- Current Audits
- Upcoming Audits



# Audit Observations

# History of Audit Observations

- 22 Audit Reports Issued Since 2022
- 94 Total Observations Noted
  - 12% High
  - 36% Moderate
  - 31% Low
  - 21% Informational
- 90% of Observations Fully Remediated

# Open Audit Observations



Project Name	Entity	Severity Level	Recommendation Title	Estimated Implementation Date	Days Overdue – All Days	Actual Implementation Date	Actual Closed Date
Fuel Hedging Compliance	Executive Operations	High	Absence of Effectiveness Testing Under GASB 53	1/31/2026	2	2/2/2026	4/16/2026
Ridership Audit	Service Planning & Scheduling	Medium	Ridership Count	9/30/2025	203		
Fuel Hedging Compliance	Executive Operations	Medium	Hedging Strategy Not Subject to Formal Review and Approval	1/31/2026	24	2/24/2026	4/16/2026
Fuel Hedging Compliance	Executive Operations	Medium	Missing Contracts for Third-Party Service Providers	1/31/2026	0	1/31/2026	4/16/2026
Fuel Hedging Compliance	Executive Operations	Medium	No Formal Review of FCM Vendor Performance and Compliance	1/31/2026	0	1/31/2026	4/16/2026

 - Remediated

 - Over 90 Days Past Due

# Open Audit Observations

Project Name	Entity	Severity Level	Recommendation Title	Estimated Implementation Date	Days Overdue – All Days	Actual Implementation Date	Actual Closed Date
Paycor 3rd Party Audit (IT)	IT Operations	Medium	Routine User Access Review	3/31/2026	21		
Fare Media Sales	Accounting	Low	PEM and ShopKeep Security and Maintenance Controls	9/30/2025	13	10/13/2025	4/16/2026
Accounts Payable and P Card Audit (CSC)	AP & Payroll	Low	Logical Access Policies & Procedures	12/31/2025	111		
Fuel Hedging Compliance	Executive Operations	Low	Incomplete & Unformalized Policies & Procedures	1/31/2026	24	2/24/2026	4/20/2026
Paycor 3rd Party Audit (IT)	IT Operations	Low	SOC 2 Report Review	3/31/2026	21		

 - Remediated  
 - Over 90 Days Past Due

# Open Audit Observations

Project Name	Entity	Severity Level	Recommendation Title	Estimated Implementation Date	Days Overdue – All Days	Actual Implementation Date	Actual Closed Date
Fuel Hedging Compliance	Executive Operations	Low	Deficient Forecast Distribution & Variance Tracking	8/31/2026	N/A		
Fuel Hedging Compliance	Executive Operations	Low	Variance Between Financial Disclosure and Hedging Practice	6/30/2026	N/A		
Fuel Hedging Compliance	Executive Operations	Informational	Commodity Account Record Keeping	3/31/2026	21		
Paycor 3rd Party Audit (IT)	IT Operations	Informational	Password Policies	3/31/2026	21		
Paycor 3rd Party Audit (IT)	IT Operations	Informational	Access Division Manual Time Adjustments		N/A		



# Current Audits

# Current Audits

Description	Fieldwork Kick-Off Date	Estimated Draft Report Date
Fixed Assets Audit	Jun '25	Apr '26
Gas Credit Card	Jul '25	Apr '26



# Upcoming Audits

# Upcoming Audits

Description	Fieldwork Kick-Off Date	Estimated Draft Report Date
Metro Now	Apr '26	Jun '26
Masabi (CSC)	Apr '26	Jun '26
Dispatching Audit	Jun '26	Aug '26

# Questions

## Thank you for your time!

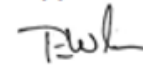
If you wish to discuss any aspects of this presentation in more detail, please feel free to contact us:

Norman Bouwie III: [NBouwie@Go-Metro.com](mailto:NBouwie@Go-Metro.com)

# Investment of Funds Report

	Operating Fund		Infrastructure Fund	
	Principal	Yield	Principal	Yield
<u>Overnight Investments</u>				
STAR Ohio	\$11,683,481	3.79%	\$35,063,974	3.79%
Trust Account/Fed Govt Oblig Issue MM	-	0.00%	245,988	3.59%
Fifth Third Bank Concentration Account	90,619	0.00%	44,239	0.00%
Subtotal Overnight Investments	\$11,774,100	3.76%	\$35,354,201	3.78%
<u>Securities and CD's</u>				
U.S. Agencies	\$52,556,776	4.54%	\$61,304,310	4.08%
Certificate of Deposit	737,522	3.89%	-	0.00%
Commercial Paper	11,908,367	4.03%	1,957,426	3.95%
U.S. Treasuries	51,009,607	3.90%	68,350,001	4.02%
Subtotal Securities and CD's	\$116,212,272	4.20%	\$131,611,737	4.05%
Days to Maturity	416		496	
Total All Securities (2/28/2026)	\$127,986,372	4.16%	\$166,965,938	3.99%
Total All Securities (1/31/2026)	\$130,853,940	4.15%	\$164,686,634	4.01%
Funds provided by (required for) Operations	(\$1,486,553)		\$3,759,127	
Funds provided by (required for) Capital	(\$1,381,015)		(\$1,479,823)	
Change in Cash during February 2026	(\$2,867,568)		\$2,279,304	
Monthly Investment Income	\$415,696		\$481,828	
Year to Date Investment Income	\$893,298		\$1,087,554	
NOTE: Total All Securities (2/28/2025)	\$156,855,014		\$135,921,628	

Approved:

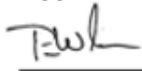


Tim Walker  
Chief Financial Officer

# Investment of Funds Report

	Operating Fund		Infrastructure Fund	
	Principal	Yield	Principal	Yield
<u>Overnight Investments</u>				
STAR Ohio	\$17,373,495	3.80%	\$30,548,112	3.80%
Trust Account/Fed Govt Oblig Issue MM	-	0.00%	460,378	3.57%
Fifth Third Bank Concentration Account	455,244	0.00%	20,741	0.00%
Subtotal Overnight Investments	\$17,828,739	3.70%	\$31,029,231	3.79%
<u>Securities and CD's</u>				
U.S. Agencies	\$46,971,214	4.52%	\$56,572,829	4.08%
Certificate of Deposit	737,522	3.89%	-	0.00%
Commercial Paper	10,450,457	4.00%	1,957,426	3.95%
U.S. Treasuries	50,574,014	3.92%	81,284,493	3.75%
Subtotal Securities and CD's	\$108,733,207	4.19%	\$139,814,748	3.89%
Days to Maturity	412		496	
Total All Securities (3/31/2026)	\$126,561,946	4.12%	\$170,843,979	3.87%
Total All Securities (2/28/2026)	\$127,986,372	4.16%	\$166,965,938	3.99%
Funds provided by (required for) Operations	(\$1,007,426)		\$4,603,560	
Funds provided by (required for) Capital	(\$417,000)		(\$725,519)	
Change in Cash during March 2026	(\$1,424,426)		\$3,878,041	
Monthly Investment Income	\$435,981		\$546,373	
Year to Date Investment Income	\$1,329,279		\$1,633,927	
NOTE: Total All Securities (3/31/2025)	\$155,763,377		\$139,966,827	

Approved:



Tim Walker  
Chief Financial Officer