Metropolitan Transportation Authority

Operating and Financial Risks

Corporate Compliance
Enterprise Risk Management
Status Report

Report to the Audit Committee
January 24, 2022

Executive Summary

Assessments Summary Snapshot

Conducted 1182, Vulnerability (Risk) Assessments on Business Processes ranked very high, high, significant and other priority levels due for 2021 test cycle of which 92% Completed with No Changes and 8% with Changes Identified

Conducted 1341, Control Self-Assessments (CSA) of which 67% completed with 99% passed, less than 1% have a finding and 33% still in progress of completion

Conducting COSO 17 Principles Points of Focus Assessment

Conducting Fraud Risk Assessments on Financial Reporting - Revenues

CSA Remediation Plan Summary

2019-2021 there were 184 CSA Remediation Plans of which 171 or 93% were closed during the period

Currently there are 17 open mitigating remediation plans, 1 material, 4 significant and 12 are deficiencies only

Departments are working on closing open remediation plans

Process Summary

In process of consolidating a total of 1,967 risks that has been entered into RSA Archer as part of post transformation

Total of 1348, Controls of which 1,270 or 94% are ranked very high, high, and significant that have been entered into RSA Archer

Currently finalizing the Annual Internal Control Summary Assessment Report

Enhanced third-party risk management (TPRM) functionality

RSA Archer GRC modules are operable and functioning

External Driven Risk Change

Covid-19

Cybersecurity

Post Transformation

Archer Migration - TPRM and Business Continuity

Deficiencies Details by Agencies

Agency	Total VAs 2021	Total Controls 2021	Total CSAs 2021	Open Significant Deficiencies July 2021	Open Material Deficiencies January 2022	Open Significant Deficiencies January 2022	Open Deficiencies January 2022
BUS	134	75	75	-	-	-	-
C&D	75	52	52	-	-	-	-
HQ	380	183	183	1	-	1	-
LIRR	278	463	463	1	-	-	8
MNR	103	155	155	4	-	3	-
NYCT	154	334	334	-	1	-	3
TBTA	58	79	79	-	-	-	1
Enterprise	**1182**	**1341**	**1341**	6	1	4	12

Remediation Plans Status

Material and Significant Deficiencies

	July 2021 Reported	Closed	New	January 2022 Open
Total	6	2	1	5

MTA's Internal Control Program

- Communicate Internal Control Timeline and Test Period to the Agencies

- Validate Vulnerability Assessments confirming business processes, risks and controls across the agencies

- Provide training and guidance on the internal control program and the RSA Archer GRC System

- Develop self-assessment scope with departments based on risk and control ranking for the test period

- Review and approve the Departments internal control self-assessed test results, aid in developing and closing out corrective action plans (CAPs) timely

- Prepare and sign off on Fraud Risk Assessment and COSO Point of Focus for each agency

- Prepare and obtain Chairman, Executive Leaderships and Agency Presidents' sign offs for Internal Control Certification and Annual Summary Report

- Obtain approval from MTA Board before submitting report to NYS Internal Control Dept

MTA Archer GRC Program
Executive Summary

Objectives

◻ The MTA Archer GRC governance framework establishes an overarching vision, strategy and guiding principles for the program. The framework provides an approach for supporting GRC technology enablement services and collaboration between business and technology.

Purpose

◻ Establish a formal framework to effectively govern the objectives and goals of the GRC program and to manage the interactions between various stakeholders from program sponsors to delivery teams.

Outcomes

◻ Enable MTA to proactively manage critical risks by supporting an integrated GRC program via RSA Archer GRC SaaS technology.

◻ Create synergies between risk functions to promote consistency, reduce redundancy, and provide a complete and transparent view risk and compliance.

◻ Execute the vision and mission through enabling the three lines of defense model, supported by an integrated risk management framework.

◻ Support executive reporting around risk and compliance to MTA Board and ERM Committee.

INTERNAL CONTROL COMPLIANCE CERTIFICATION 2020-21

METROPOLITAN TRANSPORTATION AUTHORITY

2 BROADWAY, NEW YORK, NY 10004

We hereby certify to the best of our knowledge and belief that as of December 31, 2021 the Metropolitan Transportation Authority's Enterprise Risk Management and Internal Controls Structure and Procedures are effective.

In compliance with internal control standards the MTA has: (1) Established and maintained guidelines for a system of internal controls; (2) Established and maintained a system of internal controls and a program of internal control review; (3) Made available to each officer and employee of the MTA a clear and concise statement of the generally applicable management policies and standards; (4) Designate an Internal Control Officer, who reports to the authority head, to implement and review the internal control responsibilities; (5) Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques; and (6) Periodically evaluate the need to establish, maintain or modify the internal audit function

Therefore, the MTA is **Fully Compliant** with the Enterprise Risk Management/Internal Control Guidelines issued by the MTA Board of Directors, Standards for Internal Control in New York State published by the Office of the State Comptroller, Guidelines issued by the Independent Authority Budget Office, and the Guidelines of the Commission of Sponsoring Organizations of the Treadway Commission.

LAMOND W. KEARSE
Chief Ethics, Risk & Compliance Officer

3.28.22
Date

JANNO LIEBER
Chair and Chief Executive Officer

3.28.22
Date