



Audit of Streetcar Safety

City of Milwaukee

Internal Audit Division

May 24, 2023

Agenda

- Scope & Objectives
- Procedures
- Conclusions
- Findings
- Next Steps

Audit Scope and Objectives

Audit Scope

The Milwaukee streetcar safety program from January 1, 2022 through October 31, 2022.

Audit Objectives

Determine whether controls outlined in the ASP (Agency safety Program) Plan of Milwaukee Streetcar System are operating effectively.

Audit Procedures

The audit procedures used to evaluate the processes and controls to meet the audit objectives included process walkthroughs, inspection of relevant control documentation, and the testing of controls as follows:

- Internal Audit met with the Chief Security Officer of Milwaukee Streetcar System to observe how policies and procedures are implemented by the contractual party.
- Internal Audit identified 13 controls during a walkthrough and tested all 13 controls.
- Internal Audit met with representatives of Transdev (the operations and maintenance contractor) of the Streetcar system to ensure that rules and procedures have been implemented by Transdev.
- Internal Audit completed a process walkthrough with the Streetcar system and Transdev representatives on safety and security issues related to operation and maintenance of the Streetcar system.



Audit Conclusions

- Most of the internal controls over the Streetcar system and Transdev processes are operating effectively. There are three areas where improvements are needed, including semi-annual inspections of vehicles, annual review of standard operating procedures and training materials, and training of contractors working in the streetcar right of way.

Audit Finding #1: Facilities and Equipment Inspections

- Finding: Transdev did not perform the semi-annual inspection of vehicles, which include OCS (Overhead Contact System) and TPSS (Traction Power Susstation) inspection during the testing period. Semi-annual inspections are required based on the manufacturer's recommendation. Semi-annual inspections were completed on September 13, 2021 to January 3, 2023, but not during the testing period.
- Risk: Suspension of services. *Risk Rating: Medium*
- Recommendation: Semi-annual inspection of vehicles should be performed as per manufacturer requirements in order to minimize the possibility of future equipment failure, reduce or minimize wear rates, replace consumable parts, and satisfy warranty requirements.

Audit Finding #2: Employee Safety Programs

- Finding: The Chief Security Officer does not guarantee that the standard operating procedures are reviewed and approved annually. Additionally, the Chief Security Officer does not review the training program annually to ensure that training materials and programs remain consistent with the SMS and the needs of the Streetcar system.
- Risk: Safety of employees due to changes of circumstances. *Risk Rating: Low*
- Recommendation: The Chief Security Officer should ensure that the standard operating procedures are reviewed and approved on an annual basis. Additionally, the Chief Security Officer should review the training program annually to ensure that training materials and programs remain consistent with the SMS and the needs of the Streetcar system.

Audit Finding #3: Contractor Safety Coordination

- Finding: Transdev did not conduct the training process for eight out of ten randomly selected contractors that obtained permits from City of Milwaukee to perform work on or near Streetcar system right of way.
- Risk: Safety of Contractor employees due to lack of knowledge of working procedures on or near MSS right of way. *Risk Rating: Medium*
- Recommendation: Transdev should conduct the training process for all contractors not part of the construction or operations activities associated with the Streetcar system to obtain a working permit to work on or near Streetcar system right of way.

Next Steps

Phase 1

- Auditees will execute audit finding remediation action plans



Phase 2

- Internal Audit will solicit audit finding remediation progress updates annually



Phase 3

- Internal Audit will report remediation status to the F&P committee annually



Thank You.

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