



**STEWARDSHIP. SERVICE. COMMUNITY.**

One Port Center  
PO Box 1949  
2 Riverside Drive  
Camden, NJ 08101

(856) 968-2000  
(856) 968-2001 Fax  
www.drpa.org

David J. Aubrey, CIA, CFE  
Inspector General  
Office of the Inspector General

## OIG Memorandum

**TO:** J. D. Rink, General Manager, PATCO  
D. D. Fullerton, Director, Safety Services

**FROM:** D. J. Aubrey, Inspector General

**SUBJECT:** Review of PATCO Internal Safety Audit Process - NJDOT Compliance  
(2019 Safety Audits – Cycle Year 3 of 3)

**DATE:** February 7, 2020

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The Office of the Inspector General (OIG) was requested by John Rink, General Manager, PATCO and Dave Fullerton, Director, Safety Services, to assist with assuring New Jersey Department of Transportation (NJDOT) regulatory safety compliance as it relates to the performance of PATCO's internal safety audits (referenced as Element 12, Internal Safety Audits, within PATCO's System Safety Program Plan or SSPP).

OIG's review and this report of our observations will serve as a tool to assist both PATCO and Safety Services in fulfilling NJDOT regulatory compliance and associated reporting responsibilities. Safety Services is currently operating within year 3 of their current three-year internal safety audit cycle, with the final reporting for the current audit cycle due to NJDOT during February 2020.

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## **A. Objective / Scope**

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The audit objectives this review focused on included:

- 1) obtaining and confirming a current, approved SSPP is in place;
- 2) obtaining and reviewing Safety Services' safety audit schedule to assure compliance with the current cycle year expectations, as well assuring a path to complete all required safety audits during the prescribed 3-year audit cycle has been documented;
- 3) obtaining and evaluating the supporting audit documentation associated with safety audits completed as part of the current safety audit schedule (cycle year 3), including assuring NJDOT was notified and included as required; and,
- 4) reviewing the corrective action plans for reported safety issues, implementation status, and follow-up process to assure safety issues are effectively addressed and communicated to appropriate PATCO and DRPA management and staff.

The scope of our review focused on Safety Services' safety audit activity scheduled and completed for year 2019 (cycle year 3 of a 3-year audit cycle) and subject to reporting to the NJDOT during year 2019, with an annual report due to the NJDOT from PATCO management during February 2020.

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## **B. Background**

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Safety Services' Internal Safety Audit Process, as it relates to PATCO, represents a proactive approach to safety that verifies PATCO's safety programs have been effectively developed and successfully implemented. Safety Services is required to complete their internal safety audit responsibilities within a 3-year cycle, with annual reporting requirements. As required by NJDOT, and noted within PATCO's SSPP, the requirements of the internal safety audits and benefits to PATCO management include:

- assessing the effectiveness of safety programs;
- identifying process deficiencies, potential hazards in the operational system, and weaknesses in system safety programs;
- recommending system safety improvements;
- assuring recommended corrective actions are monitored and effectively implemented; and,
- providing continuing evaluation of safety-related programs, issues, awareness, and reporting.

The current safety requirements are based on 49 CFR Part 659, which were replaced by the new State Safety Oversight Standard (49 CFR Part 674) when NJDOT's new program was certified (November 2019). The PATCO SSPP will remain in place until July 20, 2020 when PATCO is required to implement a Public Transportation Agency Safety Plan (in accordance with 49 CFR Part 673). The Public Transportation Agency Safety Plan (PTASP) Final Rule (49 CFR Part 673) was effective July 2019 with a compliance deadline of July 20, 2020. As of July 2019, the PATCO SSPP technically became the interim PTASP. The PATCO PTASP will

replace its SSPP as soon as it receives final NJDOT approval, which should occur shortly after the veto period for the March 2020 Board meeting expires.

OIG will assist PATCO and the Safety Services' function as requested by providing an independent and objective evaluation of their safety program's self-assessment (internal safety audit) and reporting associated with and required by the new PATCO PTASP in compliance with NJDOT regulations.

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## **C. Conclusion / Summary of Results**

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Based on OIG's review of the documentation supplied by Safety Services pertaining to the performance of their internal safety audit process (which is grounded by NJDOT communicated requirements), compliance was observed and documented, and regular communication with NJDOT safety representatives was evident. The following specific areas were reviewed:

### **PATCO's System Safety Program Plan (SSPP)**

The current SSPP was provided to OIG as requested. Based on OIG's prior year's review, NJDOT State Safety Oversight Office had reviewed the safety program and opined that it met both the federal and state safety program requirements based on SSO Program standards.

The current and governing SSPP supplied was approved by CEO John Hanson during March 2019, as formally recommended by the PATCO General Manager and Director, Safety Services, as well as the DRPA's Chief Administration Officer, Chief Financial Officer, Chief Engineer, and Police Chief.

The new Public Transportation Agency Safety Plan (PTASP) will replace the SSPP in the next few months. PATCO's PTASP has been conditionally approved by NJDOT. Safety Services has incorporated NJDOT's comments within the final draft of the PTASP and expect to present it for Board approval in March 2020. Upon Board approval (and expiration of the subsequent veto period), the Director, Safety Services will forward the DRPA approved PTASP to NJDOT for their final approval.

### **Safety Audits (Cycle Year 3)**

OIG was provided and reviewed all safety audits completed by Safety Services as scheduled for Cycle Year 3 of their SSPP based safety audit plan. OIG examined the following supporting documentation for all audit elements scheduled and completed during 2019 and reportable by PATCO and Safety Services during February 2020.:

- safety audit notification letters;
- safety audit checklists (proposed audit steps for element subject to review), including the confirmed approval of safety audit checklists by NJDOT; and,
- individual Safety Element Audit Reports communicating Safety Services' audit results for all safety audit elements scheduled to be completed during 2019 and reportable by PATCO during February 2020.

The schedule below represents the internal safety audits performed by Safety Services during the year 2019 and reviewed by OIG:

<b>Safety Service's Internal Safety Audit Schedule - 2019 Activity (Cycle Year 3 of 3)</b>				
Element Number	Element	Element Audit Date	Report Status	Report Issued
1	Policy Statement and Authority for SSPP	March 2019	Completed	March 2019
2	Purpose, Goals and Objectives	March 2019	Completed	March 2019
3	Overview of Management Structure	March 2019	Completed	March 2019
4	SSPP Control and Update Procedure	March 2019	Completed	March 2019
5	SSPP Implementation – Tasks and Activities	March 2019	Completed	March 2019
6	Hazard Management Process	April 2019	Completed	April 2019
8	Managing Safety Modifications	May 2019	Completed	July 2019
16	Training & Certification	June 2019	Completed	October 2019

During this phase of OIG’s review, Safety Service’s documentation supporting their safety audit of *Element 12, Internal Safety Audit Process* was independently reviewed. Safety Service’s formally reported the results of their review to NJDOT throughout the year 2019; there were no findings of non-compliance and only minor issues were noted and communicated associated with opportunities to improve upon existing audit documentation.

**Corrective Action Plan (CAP) Status Reporting**

OIG requested and was provided a current Corrective Action Plan (CAP) Status Report for review (report dated January 22, 2020 was supplied). The CAP report includes safety related findings from NJDOT triennial audits, Safety Services’ internal safety audits, and any PATCO related accident investigations. The CAP Status Report is created and maintained by NJDOT, with Safety Services’ input, and supplied to Safety Services and PATCO management for their reference and follow-up. OIG inquired as to the level of communication of safety related issues and the effective implementation of associated corrective actions with PATCO management and staff, as well as the Authority’s CEO and Board of Commissioners; the Director, Safety Services provided the following in response to OIG’s inquiries:

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- Safety Services has made significant progress in closing out corrective actions in the past year. In some cases, the corrective actions were implemented and in others they were able to show that the underlying condition no longer exists. As of the last CAP reporting (January 22, 2020) there were 41 open corrective actions.
- Safety Services has made progress in using PowerDMS for training and document management and remains hopeful that SAP will eventually be of use in documenting the completion of the inspections, maintenance and repairs that are essential to running a safe and efficient transit system. The new FTA regulations require that Safety Services implements a data driven safety management system so the need for appropriate information systems will only increase. Part of implementing the new regulations and Safety Services' new safety plan includes monthly reporting to the Board so an efficient, workable system is essential.
- Safety Services continues to communicate their findings at PATCO staff and safety meetings. One change has been that at least one representative from NJDOT State Safety Oversight (SSO) attends the monthly PATCO safety meeting; NJDOT SSO use this as an opportunity to select open corrective actions and discuss progress with individual PATCO Directors. Safety Services also have a single Inspector from NJDOT as a point of contact which has aided in maintaining clear communication and better coordination.
- The CAP status report, including identified safety findings and outstanding corrective actions, continues to be discussed at monthly safety meetings.
- There is no formal follow-up process for corrective actions. Improvements to the SSOA's database will make it easier to implement formal tracking as part of the new safety plan. The database now includes a separate module for corrective action tracking. The Director, Safety Services believes the dwindling number of open corrective actions will also simplify an organized approach to follow-up.
- Progress updates regarding outstanding corrective actions continue at monthly safety meetings and directly when needed. The PATCO General Manager regularly engages in encouraging and if necessary compelling action on corrective actions. PATCO's General Manager is aware of the safety related corrective actions and is assuring that they are being implemented. Per the Director, Safety Services, these corrective actions are mostly driven from compliance issues that do not jeopardize safety. Urgent safety issues are addressed immediately, while compliance issues are prioritized among many competing demands.
- The Director, Safety Services, communicated that he had not encountered any resistance or refusal to implement a corrective action and is satisfied with the level of cooperation and progress demonstrated by PATCO management.

- Protection for on-track workers and employee / passenger safety onboard our rail line continues to be an area of focus by Safety Services and PATCO management. Safety Services continues to meet with PATCO management and workers to discuss the safety issues / risks. The Director, Safety Services, indicated that NJDOT supports raising the awareness about protecting on-track worker, and assuring compliance with associated safety requirements, and are monitoring PATCO's progress closely. The recent reorganization of PATCO's Way & Power department into two separate departments has been effective in freeing up resources to focus on safety related program and procedure development, and training. PATCO is also moving forward with installing a system of warning lights to notify Train Operators that workers are ahead. Regarding safety onboard PATCO rail lines, operational changes have been implemented to improve the security presence for PATCO's overnight "owl service" and Safety Services has also started to provide Assault Awareness and Prevention training for employees. Onboard safety is a national problem and the FTA has made training materials and train-the-trainer sessions available at no cost.

The new safety management system requirements should give the Authority's safety management parity with other aspects of Authority management. One requirement is the establishment of a Chief Safety Officer (CSO) that reports directly to the CEO designated as the Accountable Executive for purposes of safety management. The Director, Safety Services communicated that NJDOT has approved an arrangement whereby Director, Safety Services could be designated as the CSO reporting to the PATCO General Manager as the Accountable Executive. The Director, Safety Services will be attending upcoming Authority Operations & Maintenance Committee and Board of Commissioners meetings to communicate proposed organizational and safety program changes, including a new safety consulting contract and also previewing the soon to be implemented Public Transportation Agency Safety Plan (PTASP). In addition, Safety Services is working on safety performance indicators for inclusion in a new monthly safety report to the Board.

With the approaching implementation of the new PTASP, the Director, Safety Services anticipates that communication of safety related issues and corrective actions will become a regular Board meeting agenda item; in addition, PATCO safety related audit findings are currently being reported in summary fashion, along with other New Jersey based rail transit service providers, in NJDOT's Annual Public Rail Transit Safety Report to the New Jersey Governor and the Legislature.

The CAP Status Report is a living document subject to change based on additions and updates from NJDOT, as well as the result of updates provided to NJDOT by Safety Services and PATCO management. There is a clear and open channel of communication between NJDOT and Safety Services / PATCO management. The safety issues and pursuit of associated corrective actions is clearly communicated at the PATCO level, but this communication can be enhanced and elevated to a higher level of Authority management on a routine basis to assure awareness at the CEO and Board levels.

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## D. Recommendations / Opportunities for Improvement

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Safety Service's performance and documentation of their scheduled and required safety audit responsibilities were in compliance with SSPP expectations and demonstrated improvement in safety audit documentation (and organization of same) was noted based on comparison to Safety Services' documentation provided for OIG's review of the prior year's safety audit activity. Recommendations representing opportunities for improvement were noted during the audit, communicated to Safety Services' management, and are summarized below (including the Director, Safety Services' responses / corrective actions and targeted timeline for implementation):

### **Recommendation 1:**

The OIG continues to recommend and reinforce that the Authority, PATCO management, and Safety Services:

- a) implement a formal and regular process for the communication of safety issues and the status of implementation of the associated corrective actions to appropriate Authority management (CEO, General Manager - PATCO, etc.), as well as Board of Commissioners;
- b) implement and document the formal assignment of management accountable to address the safety issues reported on the CAP report, document an appropriate plan of corrective action, and rigorously follow-up with accountable management to ensure the safety related corrective actions are promptly and efficiently implemented; and,
- c) continue to address outstanding recommendations reported at part of OIG's prior report (*Review of PATCO Internal Safety Audit Process -NJDOT Compliance February 5, 2019*), specifically Recommendations 2, 4, and 6 (*also noted in section below*).

### **Management Response 1:**

The Director, Safety Services, concurs with the proposed recommendations and provided the additional corrective action details below:

- a) The Director, Safety Services concurs with this recommendation. The current Safety Services section of the General Manager's monthly report will be replaced with: 1) the four required performance measures from the National Public Transportation Safety Plan, 2) a list of Accidents and Incidents reported to NJDOT, and 3) a summary on progress implementing corrective actions. Safety Services is currently identifying reliable sources of data needed to prepare that report. The frequency of reporting may need to be reduced based on data availability. Recommendation targeted for implementation by July 31, 2020.
- b) The Director, Safety Services concurs with this recommendation. Safety Services will add that an assignment of accountability should include the provision of adequate authority and resources for accomplishment. Safety Services will start by ensuring that the CAPs on the current list are properly assigned at the Director level and ask the General Manager, PATCO, to make those assignments, with deadlines, in writing, with acknowledgment required. Once the assignment is acknowledged it will be assigned as

a task in Outlook for tracking. Recommendation targeted for implementation by April 30, 2020.

- c) The Director, Safety Services, concurs with the recommendation and will implement as noted below.

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## Prior Audit's Recommendations – Implementation Status

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Recommendations reported as part of the prior year's review (*Review of PATCO Internal Safety Audit Process -NJDOT Compliance February 5, 2019*) were revisited based on 2019 safety audit activity, and management's implementation status is summarized below (including the Director, Safety Services' responses):

**Recommendation 1:** Improve the level of documentation supporting the performance of the audit steps undertaken for each audit element (audit checklist documentation).

**Management Response 1:** Safety Services will use automated workflows to document performance of the audit steps. The two document management systems available to Safety Services (SharePoint, PowerDMS) both support workflows for review, approval, and acknowledgement of documents. Assigning workflows to the notification, checklists, and audit report will create a record of the completion of each step. The selected tool will most likely be PowerDMS as it is currently the only application that is accessible by Authority and NJDOT personnel. (4th Quarter 2019)

**Current Status (per Safety Services):** Currently, workflows are not in use regarding the two document systems available. However, the Safety Department is saving documentation by transferring copies of corresponding emails (with documents attached) with NJDOT SSOA. The documents include Notification and Authorization letters, Internal Audit Reports, Audit Checklists, and any other emails regarding the internal audit process. Corresponding emails can be reviewed through SharePoint. Recommendation targeted for implementation by May 31, 2020.

**Recommendation 2:** Formalize and document a quality assurance review of safety audit documentation and associated reporting to be performed by the Director, Safety Services.

**Management Response 2:** Safety Services will adopt standard templates for checklists and audit reports to simplify preparation and conduct of audits and other safety assurance activities. The new Safety Management System standards will require that safety audits are part of a number of activities including inspections, data collection, and others having the goal of verifying that safety mitigations have been implemented and are achieving their goals. Documentation will be accomplished using the automated workflows described above. (Target date of 3rd Quarter 2019)

**Current Status (per Safety Services):** Safety Services has not made any progress in developing templates or formalizing the quality assurance process. The Director, Safety Services communicated that he does review all safety audit documentation, but there is

currently no formal workflow established. Safety Services will continue to work on this as they implement the new Agency Safety Plan and safety management system. Recommendation targeted for implementation by May 31, 2020.

**Recommendation 3:** The Director, Safety Services should be copied / included on any and all correspondence with NJDOT.

**Management Response 3:** This recommendation is essentially already in place although no formal instruction has been issued. The Director, Safety Services will prepare a memo for distribution to all personnel. The memo will explain the requirement and rationale and exceptions. The only apparent exception will be for 1-800-RAILSAFE confidential safety reporting. The Railsafe program is required by FTA and we are, of course, prohibited from requiring employees to notify management when reporting concerns directly to the SSO. (1st Quarter 2019)

**Current Status** (*per Safety Services*): This is currently in practice and the emails can be reviewed through SharePoint.

**Recommendation 4:** Improve the organization / structure around scheduling safety audit assignments within each cycle year.

**Management Response 4:** Safety Services has tried to notify all participants in advance of audits. However, the annual audit schedule was treated as aspirational with little thought or planning involved. The annual audit schedule was listed in the annual report to the NJSOA but was not shared with other participants. The audit schedule will be added as an agenda item at the monthly SACC meeting to allow participants additional time to plan, request changes to the schedule if needed, and track the progress of the audit program. (2nd Quarter 2019)

**Current Status** (*per Safety Services*): While the specific departments are currently notified at least a month in advance via email, an internal audit agenda has not been added to the SACC meeting to notify participants. The completion of internal audits for each month are currently logged on the KPI excel report which is included in the SaCC agenda. Recommendation targeted for implementation by February 29, 2020.

**Recommendation 5:** Improve the use of SharePoint (or alternative system-based tool) and organize the required safety audit documentation for each audit element to allow for easier access and quick reference.

**Management Response 5:** This recommendation mimics a finding from an NJDOT audit. Safety Services will require that participants, as a minimum, provide all documents in electronic format in advance of audits. Safety Services has been encouraging the use of PowerDMS for document management but departments, to varying degrees, have been slow to adopt the platform. Safety Services has been participating in a pilot of SharePoint, is experienced in the basic functions, and has experimented with more advanced functions. I

can't commit to using the application until it's adopted as a standard for DRPA. (4th Quarter 2019)

**Current Status** (*per Safety Services*): This is currently in practice and can be reviewed on SharePoint.

**Recommendation 6:** In advance of the pending implementation of the new Agency Safety Plan, proactively develop a formal process for communicating safety issues and the status of implementation of the associated corrective actions to applicable Authority management (CEO, General Manager - PATCO, etc.), as well as Board of Commissioners.

**Management Response 6:** As an initial measure, the Director, Safety Services suggests replacing the Safety portion of the General Manager's report with the minutes from the monthly SACC meeting. The current submission is an activity report and is likely of little value to the Board. The SACC meeting minutes provide a summary of reportable occurrences, incidents, and accidents; the status of key performance indicators, discussion of ongoing issues, and a summary of corrective actions. NJSOA is requiring that all systems under its jurisdiction adopt an agenda similar to PATCO's. PATCO is required, and will, develop more extensive performance measures with the Agency Safety Plan, but the remaining information in the SACC minutes is sufficient as a starting point for the required reporting to executive management and the Board. (4th Quarter 2019)

**Current Status** (*per Safety Services*): The Director, Safety Services, is developing the new monthly reporting to the DRPA's Board of Commissioners. The current challenge is developing an efficient and effective manner of capturing the required safety data. Safety Services will also be calculating the performance indicators from recent years for comparison, including:

- Fatalities (total number of reportable fatalities and rate per total vehicle revenue miles);
- Injuries (total number of reportable injuries and rate per total vehicle revenue miles);
- Safety Events (total number of reportable events and rate per total vehicle revenue miles); and,
- System Reliability (mean distance between major mechanical failures).

Recommendation targeted for implementation by July 31, 2020.

OIG would like to thank PATCO General Manager J. Rink, D. Fullerton, Director, Safety Services, and C. Ogunsuyi, Safety Specialist, Safety Services, for their assistance and cooperation during this review. OIG is willing to provide similar assistance to Safety Services and PATCO management to support their 2020 NJDOT safety audit compliance reporting if needed and upon request.

cc: R. Boyer  
J. Nash  
E. DePasquale  
S. Murphy  
J. Hanson  
R. Santarelli  
C. Ogunsuyi