



# Quarterly Internal Audit Activity Report

Report Date: May 14, 2026

# Quarterly Internal Audit Update

## Executive Summary

This quarterly summary provides the Board, through the Finance & Audit Committee, and the CEO with a consolidated overview of Internal Audit's work and key observations in Q1 2026. Its purpose is to highlight the most significant themes, risks, and insights so readers can quickly focus on areas of strategic importance without reviewing each report individually.

By distilling complex audit activity into the most relevant information, this summary supports agency leadership to focus on key issues and support well-informed decisions.

## Audit Report Highlights

- **Sounder Commuter Rail Annual Compliance Audit (2026-01):** No (0) findings and 0 recommendations; compliance with standards maintained across safety, operational and maintenance controls.
- **Sounder Accident & Incident Reporting Annual Audit (2026-02):** No (0) findings and 1 recommendation<sup>1</sup>; establish formal training program for new ST Federal Railroad Administration (FRA) Reporting Officers.
- **East Link Extension – Crosslake Connection Readiness Certification Audit (2026-08):** No (0) findings and 2 recommendations; minor control documentation deficiencies and misstated testing requirements identified in testing framework.

## Themes across audits

Across the three (3) audits, we identified recurring themes related to documentation inaccuracies and outdated requirements that had not been updated as part of the safety certification process. Positive themes also emerged, including improved safety oversight, strong modal compliance and service performance.

## Key Risks Found

- Gaps in training program for new ST FRA Reporting Officers. (2026-02).
- Inaccurate documentation and testing requirements with Safety and Security Certification (2026-08).

## Strengths Observed

- Strong compliance with Sounder operations and FRA reporting requirements (2026-01 & 2026-02).
- Improved safety oversight of modal operations and effective hazard identification (2026-01 & 2026-02).
- Well executed certification processes for ELE Crosslake Connection (2026-08).

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<sup>1</sup> Audit findings are areas found non-compliant with a written process, procedure, manual, or rule and require a written management action plan, while recommendations do not. Recommendations are intended to highlight opportunities for continuous improvement.

**Table 1 - Internal Audit Results Summary Table**

Audit Title	Findings	Recommendations	Summary Theme
Sounder Commuter Rail Annual Compliance Audit	0	0	Compliance maintained
FRA Accident & Incident Reporting Audit	0	1	FRA Reporting Training
East Link Crosslake Extension Readiness Certification Audit	0	2	Strong certification compliance with minor control deficiencies
Totals	0	3	