



Quarterly Internal Audit Activity Report

Report Date: July 9, 2026

Quarterly Internal Audit Update

Executive Summary

This quarterly summary provides the Board, through the Finance & Audit Committee, with a consolidated overview of Internal Audit's work and key observations since the May 2026 Finance & Audit Committee meeting. 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.

Audit Report Highlights

- **Tacoma Link Annual Safety Compliance Audit (2026-03):** Two (2) findings, and 7 recommendations; The agency's Transit Asset Management (TAM) Plan has not been updated. This is a repeat finding from an audit performed in 2023. At the time we also found no formal process was in place for updating the TAM. Since the performance of the 2026 audit, management has mitigated both findings, so they are now closed.
- **Environmental & Sustainability Management System (ESMS) Internal Audit (2026-04):** One (1) finding and zero (0) recommendations. Approximately 22% (11 of 50) of ESMS procedures are overdue or incorrectly tracked for required three-year review. Management plans for the finding to be closed by the end of this year.

Cross-Cutting Themes

Across the two (2) audits, recurring themes were identified related to governance and documentation gaps, including inaccurate or outdated plans and procedures. Positive themes also emerged, including strong modal compliance to safety and operational standards, environmental compliance, contractor oversight, and communication.

Key Risks Found

- Absence of foundational Transit Asset Management Plans (2026-03).
- Outdated and/or incomplete documentation impacting compliance and accuracy (2026-04).

Strengths Observed

- Strong safety culture supporting open reporting of safety concerns (2026-03).
- Effective communication of safety policy through committees, operational meetings, and management (2026-03).
- There is effective Environmental Steering Committee oversight of ESMS targets and programs (2026-04).
- ESMS performance communication and risk identification, with commitment to corrective actions, supporting compliance and continuous improvement (2026-04).

Table 1 - Internal Audit Results Summary Table

Audit Title	Findings	Recommendations	Summary Theme
Tacoma Link Annual Safety Compliance Audit	2	7	Governance & documentation gaps. Findings and action plans have been fully addressed.
Environmental & Sustainability Management System (ESMS) Internal Audit	1	0	Governance & documentation gaps. Expect action plan to be closed by the end of the year.
Totals	3	7	