



Office of the Washington State Auditor
Pat McCarthy

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Accountability Audit Report

Central Puget Sound Regional Transit Authority

(Sound Transit)

For the period January 1, 2021 through December 31, 2021

Published (Inserted by OS)

Report No. 1031580



Find out what's new at SAO
by scanning this code with
your smartphone's camera



**Office of the Washington State Auditor
Pat McCarthy**

Issue Date – (Inserted by OS)

Board of Directors
Sound Transit
Seattle, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government’s stewardship of public resources.

Attached is our independent audit report on the Authority’s compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Audit Results.....	4
Related Reports.....	5
Information about the Authority.....	6
About the State Auditor's Office.....	8

AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Authority operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of Sound Transit from January 1, 2021 through December 31, 2021.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the Authority's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2021, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Tracking and monitoring of theft sensitive assets – such as computers, tools and equipment
- Accounts payable – general disbursements and credit cards
- Procurement – request for proposals (RFPs) and contracts
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

RELATED REPORTS

Financial

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Federal grant programs

A firm of certified public accountants evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Authority's major federal programs. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Preliminary Draft - Please do not duplicate, distribute, or disclose.

INFORMATION ABOUT THE AUTHORITY

In 1992, the Washington State Legislature authorized King, Pierce and Snohomish counties to create a regional transit authority to plan, build and operate a high-capacity transit system within the Puget Sound region’s most heavily traveled corridors. The Central Puget Sound Regional Transit Authority, doing business as Sound Transit, was established September 17, 1993. The Authority comprises five subareas within the contiguous urbanized areas of Snohomish, King and Pierce counties. The service area is home to over 3.24 million people, or almost 81 percent of the three-county population.

Sound Transit is governed by an 18-member Board made up of local elected officials proportional to the population included in the Sound Transit district. Three members are from Snohomish County; 10 from King County; and four from Pierce County. The last seat is held by the Washington State Secretary of Transportation.

To date, Sound Transit has three phases of its System Plan: Sound Move, Sound Transit 2 (ST2), and Sound Transit 3 (ST3). “Sound Move” was a 10-year plan approved by voters in 1996 to implement commuter rail (Sounder), regional express bus service (ST Express) and light rail (Link) operations. Sound Move was completed in 2016. “ST2” is a 15-year plan approved by voters in 2008 to provide further expansion of facilities and service to the region with anticipated completion by 2023. “ST3” is a 25-year plan approved by voters in 2016 to expand light rail, connecting 16 cities and adding 62 new miles, and adding Bus Rapid Transit and extending Sounder train platforms.

Sound Transit has implemented, and is operating, the following services: Sounder Commuter Rail running daily from Everett to Lakewood; 18 ST Express Bus Routes; Link Light Rail running 22 hours a day on 22 miles between the University of Washington and Angle Lake. The extension of service from the University of Washington north to Northgate brought service to the U District Station, Roosevelt Station and Northgate Station, which went in service on October 2, 2021. Tacoma Link runs through downtown Tacoma. In 2021, the Authority had almost 17.8 million boardings on its trains and buses, a slow recovery of 12 percent from 2020 due to the impact of COVID restrictions on commuters and local travel. The Authority had 1,124 regular full-time employees and 26 full-time temporary employees at the end of 2021.

The Authority receives revenue through taxes (sales tax, motor vehicle excise tax, property tax, and rental car tax), passenger fares, other local contributions, federal grants and state grants.

Contact information related to this report	
Address:	Sound Transit 401 S. Jackson Street Seattle, WA 98104-2826
Contact:	Senior Compliance Analyst
Telephone:	(206) 903-7011
Website:	www.soundtransit.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Sound Transit at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov