

# ***Audit Division Update***

*Finance and Audit Committee*

*07/20/23*

***Data Classification: Unrestricted***



# *Why we are here*

- Final 4Q 2022 audits
  - Safety & Security Certification audits
  - Performance audits
- 1Q / 2Q 2023 audits
  - FTA Triennial Review results
  - Compliance audits
  - Safety & Security Certification audits
  - Performance audits
- Status of 2023 FAC requested audits

# 2022 Audit Plan (Safety & Security Certification)

Audit Topic	Status	Findings
Lynnwood / FWLE / Hilltop Link Security Audits	Completed	No Findings

# 2022 Audit Plan (Performance)

Audit Topic	Status	Findings
Revenue Vehicle Preventive Maintenance (PM) Process	Completed	No Findings
Agency Agreements	Completed	1 Finding

# Agency Agreements Audit

## What we found:

- **Audit Objective:** Review the processes for developing, administering, and managing agreements for adherence to applicable policies, regulations, and industry best practices.
- Agreement processes are documented in an agreement database.
- Agreement Manager lists, training and surveys do not fully comply with stated practice in Policy 604.

# ***1Q / 2Q 2023 Audits***

# ***FTA 2023 Triennial Review results***

## **What they found:**

- Triennial Review is used by the FTA to verify compliance with award requirements
- Review focused on compliance with 23 areas such as Legal, ADA Compliance, Title VI, and Drug and Alcohol programs.
- FTA auditors found deficiencies in eight (8) areas, two (2) of which Sound Transit staff have already addressed.
- The remaining findings are expected to be ready for closure by the end of 2023.

# ***FTA 2023 Triennial Review results (Cont.)***

## **Review deficiencies noted:**

- Inadequate project management oversight of contractors
- Sound Transit did not notify the FTA when equipment disposal exceeds \$5,000
- Four (4) deficiencies on ADA Compliance
  - No SOPs on service disruptions on elevators.
  - Insufficient oversight of contracted service for ADA requirements
  - Insufficient oversight of documentation for ADA
  - No complimentary paratransit service to Tacoma Link
- Tacoma Link's substance abuse policy was not approved by agency Board of Directors.
- Absence of written policy for public comment process on impending service reductions.

# 2023 Audit Plan (Compliance)

Audit Topic	Status	Findings
FRA Railroad Accidents / Incidents Safety Audit	Completed	No Findings
ST Express Annual Internal Safety Audit	Completed	No Findings
Environmental Management Systems (ESMS) Internal Audit	Completed	No Findings
Sounder Commuter Rail Annual Internal Safety Audit	In progress	
Safety Management Systems (SMS) Internal Audit	Q3 2023	
Asset Management Systems (AMS) Internal Audit	Q3 2023	
Link Light Rail Annual Internal Safety Audit	Q4 2023	
Tacoma Link Annual Internal Safety Audit	Q4 2023	

# 2023 Audit Plan (Safety & Security Certification)

Audit Topic	Status	Findings
Hilltop Link Construction / Pre-Integrated Testing Safety & Security Audit	Completed	No Findings
East Link E330 / E340 Construction Conformance Safety & Security Audit	In progress	
Downtown Redmond Link Design Conformance Safety & Security Audit	In progress	
East Link E320 Construction Conformance Safety & Security Audit	In progress	
East Link E335 Construction Conformance Safety & Security Certification Audit	Q3 2023	
East Link E360 Construction Conformance Safety & Security Certification Audit	Q3 2023	
Downtown Redmond Link Construction / Pre-Integrated Testing Safety & Security Certification Audit	Q3 2023	

# 2023 Audit Plan (Safety & Security Certification)

Audit Topic	Status	Findings
Hilltop Link Operational Readiness Safety & Security Audit	Q3 2023	
East Link “Starter Line” Pre-Operational Testing Safety & Security Certification Audits	Tentative - Q4 2023	
Lynnwood Link Construction / Pre-Integrated Testing Safety & Security Audit	Q4 2023	
Lynnwood Link (L800) Design Conformance Safety & Security Certification Audit	Q4 2023	

# 2023 Audit Plan (Performance)

Audit Topic	Status	Findings
Track Maintenance – Link Light Rail	Completed	2 Findings
ADA Accessibility Compliance	Postponed	
SCADA Systems	In progress	
State of Good Repair – Northgate Link Extension	In progress	
Capital Project Closeout Process	Q3 2023	
Transit Systems Cybersecurity Preparedness	Q4 2023	

# ***Track Maintenance – Link Light Rail***

## **What we found:**

- We found that track maintenance is generally compliant with applicable industry standards and preventive maintenance is being performed at prescribed frequencies.
- However, we found deficiencies in training plans and approvals for track maintainers by Sound Transit.
- We also found a lack of appropriate technical reviews of invoice packaging to ensure work was performed (prior to executive review/approvals).

***Status of 2023 FAC requested  
audits***

# *2023 Performance Audits*

## Updates:

- Two audit topics were recommended by the FAC in December 2022
  - Temporary Service Changes Collaboration
  - System Expansion time charging accountability
- Agency efforts are currently ongoing in regards to both topics
- Both topics will be postponed to a future performance audit plan.

*Thank you.*



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