

# Non-Revenue Vehicle (NRV) Program Audit

Report #: 2025-02

## Executive Summary

The NRV fleet includes vehicles owned by Sound Transit that are not used for passenger service but are essential to supporting transit operations and safety. This includes service trucks, supervisor cars, and utility vehicles that support the safe and reliable delivery of transit services.

The NRV program represents significant capital investment and carries compliance obligations under FTA's Transit Asset Management (TAM) Rule (49 CFR Part 625)<sup>1</sup>, which requires agencies to maintain an inventory of all capital assets—including NRVs—monitor their condition, and ensure they remain in a state of good repair. Failure to meet these requirements can lead to safety risks, inaccurate reporting to the National Transit Database (NTD)<sup>2</sup>, and potential federal compliance findings.

As noted in our Audit Advisory<sup>3</sup>, this review assessed governance and accountability across four primary areas of the NRV program. Here are some of the strengths we found:

- **Policy Framework:** A documented framework anchored by Policy 607 and the NRV Fleet Plan promotes consistency in official-use-only requirements and compliance expectations.
- **Oversight Controls:** GPS-based tracking and exception reporting provide visibility into usage patterns and support reassignment decisions. Coordination with Link Operations ensures that vehicles operated by King County Metro (KCM) are monitored for compliance and safety, reinforcing agency-wide oversight.
- **Allocation Methods:** Vehicle allocation follows a documented process requiring business justification and executive approval, supporting equitable and efficient resource distribution.

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<sup>1</sup> Federal Transit Administration. Transit Asset Management Final Rule. 49 CFR Part 625.  
<https://www.transit.dot.gov/TAM>

<sup>2</sup> Federal Transit Administration. National Transit Database Reporting Manual.  
<https://www.transit.dot.gov/ntd>

<sup>3</sup> Johnson, P. (2025, April 14). *Audit Advisory 25-02: Special Request Audit – NRV Fleet Program*. Sound Transit.

- **Program Management:** Integrated systems capture utilization, maintenance, and compliance data for all vehicles, enabling centralized oversight and informed decision-making.

While these strengths provide a solid foundation, we also found critical gaps that limit the program's ability to fully safeguard assets and ensure compliance:

- **Identity and Access Controls:** Driver ID Tag issuance lacks identity verification and lifecycle management, allowing tag sharing and unauthorized access.
- **Driver Eligibility Monitoring:** Motor Vehicle Records (MVR) and insurance checks rely on manual processes, with no automated access suspension when clearance lapses. For KCM drivers, eligibility monitoring is managed externally, and integration with ST systems is unclear.
- **Approval and Exception Documentation:** Approval workflows exist but are not consistently referenced in Policy 607 or centralized in the agency's fleet management system, reducing transparency and auditability.
- **Fuel card and Maintenance Controls:** Fuel card transactions, vehicle usage data, and maintenance tracking are not integrated. This limits oversight and increases the risk of fraud, delayed servicing, and noncompliance with TAM requirements.

Collectively, these gaps weaken the agency's ability to protect assets and ensure that only authorized, qualified drivers operate NRVs. Addressing these issues will require stronger identity verification, automated compliance monitoring, and centralized documentation of approvals and exceptions.

## Background

As of 2024, ST's NRV fleet has a total of 344 vehicles and equipment units. Out of those, 157 are assigned to KCM<sup>4</sup>. Since 2013, internal audits have repeatedly found gaps in policy clarity, inconsistent application, and incomplete documentation of usage. Notably, the TAM plan remains noncompliant as of 2022.

Earlier this year, People & Culture (P&C) raised concerns about potential misuse of NRVs, including excessive personal use. Their review highlighted weaknesses in vehicle assignment and oversight practices—issues that mirror costly failures at peer agencies such as WMATA<sup>5</sup> and LA Metro<sup>6</sup>. These risks expose Sound Transit to

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<sup>4</sup> Sound Transit. (2024, April). *NRV Fleet Plan 2024*. Finance and Business Administration – Administrative Services Office.

<sup>5</sup> WMATA Office of Inspector General. Audit of Non-Revenue Vehicle Program. <https://wmataoig.gov>

<sup>6</sup> LA Metro Office of the Inspector General. Internal Audit of Non-Revenue Vehicle Controls. <https://www.metro.net/about/oig/>

financial, operational, and reputational harm, underscoring the need for stronger governance and accountability.

In response, Internal Audit was asked to conduct a comprehensive review of NRV policies and procedures. Given these historical gaps and recent concerns, our audit focused on whether current policies and controls provide sufficient governance and oversight. Because we did not perform transactional testing, our observations emphasize control design and documentation rather than operational effectiveness.

The following section presents our audit results, organized into findings—areas where controls are not adequately designed—and opportunities for improvement, where enhancements could strengthen clarity, efficiency, or oversight.

## Findings

### **Finding 1: Identity and Access Controls for NRV Drivers Are Inadequate**

Agency Policy 607 and the NRV Fleet Plan expect that only authorized employees operate non-revenue vehicles. However, the current process for issuing Driver ID Tags doesn't verify identity—meaning anyone can pick up a tag without showing a badge or photo ID. While the fleet plan mentions that Geotab tracks usage and safety metrics, it doesn't address preventing tag sharing or managing tags through their lifecycle. In practice, tags and keys can be stored together, especially for vehicles assigned to departments, making it easy for someone else to grab them.

This gap exists because there are no clear procedures or system controls for identity validation or tag management. This means the agency could lose accountability of who is driving the vehicles, and there's a real possibility that unauthorized or unsafe drivers could operate an NRV.

To address this, the agency should require ID verification when issuing Driver ID tags, link each tag to an employee record, and enforce non-transferability. The new fleet management system/software should also be able to activate and deactivate tags so they can't be shared or remain active after an employee leaves or loses eligibility. In addition, current related process documentation should be updated to reflect ID requirements.

### **Finding 2: Driver Eligibility Monitoring Relies on Manual Processes**

Agency Policy 607 and the NRV Fleet Plan require drivers to maintain a valid MVR to retain NRV privileges. MVR checks are conducted through an external vendor, typically at onboarding or annually, and authorization is mandatory. However, there is no automated process to suspend access when MVRs or insurance coverage lapses.

Communication between Fleet, People & Culture (P&C), and Risk Management relies on manual steps, with unclear follow-up procedures.

Drivers operating NRVs under KCM procedures are overseen externally, and it is unclear whether eligibility monitoring is consistently enforced or integrated with ST systems. This creates a gap in visibility and control over driver compliance for a significant portion of the NRV fleet.

To address this, the agency should implement automated alerts and a shared dashboard showing real-time MVR and insurance status. NRV fleet access should be suspended immediately when clearance lapses, and documented procedures should guide how Fleet, P&C, Risk, and external partners manage these situations.

### **Finding 3: Lack of Defined Process for NRV Exceptions and Approvals**

Agency Policy 607 and the NRV Fleet Plan both allow for exceptions and approvals—such as urgent personal use, take-home privileges, contractor access, and parking passes. While the Fleet Plan includes templates for some requests, neither document explains how employees should submit these requests or how the agency should retain the related records. There is no centralized process or system requirement for tracking approvals, and retention standards are not defined. As a result, approvals may be documented in different places—or not at all—making it difficult to confirm compliance later.

This gap exists because the policy and fleet plan focus on authority and criteria but do not link these to operational workflows or recordkeeping requirements. There is no mandate to store approvals in the fleet management system or specify retention timelines. The risk is that exceptions could be granted informally, leading to unauthorized vehicle use and reduced accountability.

To address this, the agency should align Policy 607 with the NRV Fleet Plan by explicitly referencing approval and exception workflows. All approvals and exceptions should be documented and stored in the agency's fleet management system with clear retention periods and ownership to ensure consistency, auditability, and transparency.

### **Finding 4: Fuel Card and Maintenance Controls Lack Integration**

Agency Policy 607 and the NRV Fleet Plan expect fuel cards to be used responsibly and vehicles to be maintained in a timely manner. The FTA's TAM Rule also requires agencies to keep non-revenue vehicles in a state of good repair. Maintenance tracking, however, relies on manual reminders and user follow-through. Although service intervals are defined, there's no automated validation against vehicle usage data, and no system-level reconciliation between mileage, fuel use, and maintenance needs.

These gaps can lead to delayed service and missed issues, which may compromise vehicle safety and limit the agency's ability to meet TAM requirements.

Fuel card purchases are also managed through manual processes. They are not linked to GPS or driver identity, and there are no automated alerts or transaction limits. Oversight depends on monthly statement reviews, which limits visibility and increases the risk of fraud, waste, and abuse—especially if cards are used for personal or non-fleet-related purchases.

To reduce risk and improve oversight, the agency should integrate fuel card data with vehicle usage logs, implement automated exception reporting, and define transaction limits and merchant controls. Maintenance tracking should also be strengthened through automated alerts and better system integration to ensure vehicles are serviced on time and remain safe to operate.

## **Opportunities for Improvement**

### **1. Clarify and Automate Take-Home Vehicle Approval Process**

Criteria for take-home use (e.g., on-call status, emergency response) and approval workflow are ambiguous and manual, creating inconsistent application and reduced accountability.

Opportunity: Formalize eligibility criteria, integrate approvals into the agency's fleet management system for auditability, and require periodic reviews of active take-home approvals.

### **2. Strengthen Driver Eligibility Monitoring**

MVR and insurance compliance checks rely on manual processes, with no automated suspension of NRV access when clearance lapses.

Opportunity: Implement automated alerts and integrate real-time eligibility status into the agency's fleet management system, ensuring immediate revocation of access when requirements expire.

### **3. Centralize Approval and Exception Documentation**

Policy 607 authorizes exceptions, but documentation is fragmented and not consistently tracked in a single system, reducing transparency and auditability.

Opportunity: Align Policy 607 with operational workflows and require all approvals and exceptions to be documented in the agency's fleet management system.

#### **4. Define “Urgent, Incidental, or Minimal Use”**

Policy 607 permits limited personal use but does not define these terms, leading to inconsistent interpretation and potential misuse.

Opportunity: Add clear definitions and examples to the policy and Fleet Plan to ensure uniform application.

#### **5. Strengthen Contractor and Consultant Vehicle Use Controls**

Contractor use of NRVs is allowed with written authorization, but the process lacks detail and centralized tracking.

Opportunity: Develop a formal workflow including documented cost-benefit analysis, centralized approval tracking, and periodic audits.

#### **6. Require Annual Policy Acknowledgment**

Drivers acknowledge NRV fleet procedures only once, with no requirement for periodic reaffirmation.

Opportunity: Mandate annual acknowledgment through an electronic system to reinforce compliance and maintain audit readiness.

#### **7. Link Policy Enforcement to Automated Controls**

Enforcement of Policy 607 relies on manual oversight, increasing risk of noncompliance.

Opportunity: Integrate compliance checks into the agency’s fleet management system (e.g., block reservations for users without current acknowledgment or MVR clearance).

#### **8. Strengthen Oversight of KCM Vehicle Use**

KCM operates ST-owned NRVs under King County procedures, with an expectation to align with agency policies. However, oversight currently depends on informal coordination and interpretation.

Opportunity: Establish formal oversight protocols for KCM-managed vehicles, including documented audits and periodic reporting to ensure consistent alignment with ST’s NRV policies.

## **Conclusion**

Strengthening Sound Transit’s NRV program aligns with industry best practices and directly addresses operational, and compliance risks observed at peer agencies.

By proactively enhancing NRV fleet governance, documentation, and oversight, Sound Transit not only improves audit readiness and regulatory compliance but also unlocks opportunities for cost savings and operational efficiency.

These improvements position the agency as a forward-thinking leader in fleet management—demonstrating a commitment to transparency, stewardship of public resources, and continuous improvement in support of our broader mission.

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# **Appendix A: Audit Framework and Compliance Information**

## **Methods of Evaluation and Verification**

This review assessed the NRV program's governance framework, documented procedures, and policy alignment—specifically Agency Policy 607 and the NRV Fleet Plan. We did not conduct transactional testing (e.g., fuel card usage, vehicle logs, payroll data), as our priority was to evaluate foundational controls and documentation before testing operational data.

Our focus on control design and policy clarity aimed to identify systemic issues affecting compliance and oversight. We also note that new fleet management software is being procured to enhance tracking and oversight. A follow-up audit, including data testing and operational effectiveness, is planned after policy updates and system implementation.

## **Audit Standards**

The Internal Audit Division conducted this performance audit in accordance with Internal Audit Division policies & procedures, which are governed by our Internal Audit Charter, the intent to follow Generally Accepted Government Auditing Standards (GAGAS or “Yellow Book”) issued by the United States Government Accountability Office (GAO) and the Global Internal Audit Standards (or “Red Book”). The Internal Audit Division recognizes its commitment to upholding these standards while acknowledging the absence of a formal peer review.

These standards require that we planned and performed this audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. The evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Internal Audit Division is committed to following safety oversight standards set forth by the Federal Transit Administration (FTA), Federal Railroad Administration (FRA), and all other relevant auditing requirements or standards.

## **Sound Transit's Title VI notice of rights**

Sound Transit conducts Title VI equity analyses for service and fare decisions to ensure they are made as equitably as possible.

More information on Sound Transit's Title VI notice of rights and the procedures to file a complaint may be obtained by:

- Phone: 888-889-6368; TTY Relay 711;

- Email: **[stdiscriminationcomplaint@soundtransit.org](mailto:stdiscriminationcomplaint@soundtransit.org)**;
- Mailing to Sound Transit, Attn: Customer Service, 401 S. Jackson St. Seattle, Washington 98104-2826; or
- Visiting our offices located at 401 S. Jackson St. Seattle, Washington 98104.

A complaint may be filed directly with the Federal Transit Administration Office of Civil Rights, Attention: Complaint Team, East Building, 5th Floor – TCR, 1200 New Jersey Avenue, SE, Washington, DC 20590 or call 888-446-4511.