Audit of Berkshire Regional Transit Authority (BRTA)

MassDOT Audit Operations

July 15, 2026

To: Finance and Audit Committee

From: James Logan, Director of Audit Operations

Date: July 15, 2026

RE: Audit of Berkshire Regional Transit Authority (BRTA)

Executive Summary

MassDOT Audit Operations has completed an Internal Controls audit of the Berkshire Regional Transit Authority ("BRTA") The period under review is FY 2024, covering dates between July 2023 and June 30, 2024.

The primary scope and objectives of this audit were focused on reviewing RTCAP expenditures, vendor invoices, vehicle titles, asset security, contract tracking, standard operating procedures and internal controls documents, and IT disaster recovery.

Based on the results of the audit, Audit Operations believes that BRT's internal controls, policies, and procedures are adequate, in place and being adhered to. One minor opportunity for improvement was identified, which is detailed in the findings section of the audit report. BRTA management made improvements to strengthen BRTA's internal controls, policies, and procedures and addressed this issue.

CC:

Philip Eng, Interim Secretary and CEO, MassDOT
Jonathan Gulliver, Undersecretary and Highway Administrator, MassDOT
Meghan Haggerty, Chief Operating Officer, MassDOT
Robert Malnati, Administrator, BRTA
Sarah Vallieres, Deputy Administrator, BRTA
Meredith Slesinger, Rail & Transit Administrator, MassDOT
Tom Schiavone, Deputy administrator of Transit, MassDOT
Trevor Bayard-Murray, Manager of Compliance Oversight, MassDOT
Jeannette Orsino, Executive Director, Massachusetts Association of Regional Transit Authorities (MARTA)
Emily Pedersen, Director of Internal Special Audit Unit, MassDOT, OIG
Ashley Amado, Deputy Director, Internal Special Audit Unit, MassDOT, OIG

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I. Introduction

Chapter 161B of the Massachusetts General Laws established regional transit authorities (RTAs) to provide a public transportation system under the control of municipalities. Each RTA supports several communities (member communities) and is governed by an advisory board composed of the chief elected officials from those communities. Chapter 161B of the General Laws gives the Commonwealth certain responsibilities, and it defines the process by which RTAs may be formed or expanded within the Commonwealth, as well as the duties, powers, and limitations of these RTAs.

This law also outlines the membership of RTA advisory boards and their authority to appoint administrators, approve budgets, and approve significant changes in service fares. Currently, there is a network of 15 RTAs (12 urban and 3 rural) operating in the Commonwealth, in addition to the transit services provided by the Massachusetts Bay Transportation Authority (MBTA).

These RTAs serve a total of 262 cities, suburban municipalities, and rural communities outside the greater Boston area and provide transportation via buses and minibuses operated by private transit service companies. RTAs, which are locally controlled, manage their own operations but contract with private operating companies to provide their services in accordance with Chapter 161B of the General Laws ("MGL 161B").

Section 53 of MGL 6C makes the Rail and Transit Division (RTD) of the Massachusetts Department of transportation “responsible for overseeing, coordinating and planning all transit and rail matters throughout the Commonwealth,” including intercity buses, the MBTA, and RTAs. RTD carries out its responsibility of providing and managing financial assistance for RTAs through its Community Transit Program Unit, which oversees the federal, state and local programs that financially support RTAs. The Audit Operations ("AO") team agreed to review the RTAs over a three-year period.

II. Background

The Berkshire Regional Transit Authority (BRTA) was established in 1974, and reports to Rail and Transit Division (RTD) under Chapter 25 of the Acts of 2009, “An Act Modernizing the Transportation Systems of the Commonwealth.” According to its website, the BRTA is committed to providing the highest quality of convenient and accessible public transportation service that meets the needs of our customers in an efficient, cost-effective manner.

BRTA is the westernmost regional transit authority in Massachusetts with 20 buses, 15 vans, and 30 participating member communities. BRTA provides fixed-route bus and ADA demand-responsive van service to a daily service area bordering Vermont, New York and Connecticut.

Funding for the BRTA comes from local, state, and federal sources. Massachusetts General Laws chapter 161B was enacted in 1974 as a funding source and to provide oversight and coordination of public transportation within the Commonwealth.

BRTA's Service Area in Central Massachusetts includes the following communities:

Adams	Alford	Becket
Cheshire	Clarksburg	Dalton
Egremont	Florida	Great Barrington
Hancock	Hinsdale	Lanesborough
Lee	Lenox	Monterey
Mt. Washington	New Ashford	New Marlborough
North Adams	Otis	Peru
Pittsfield	Richmond	Savoy
Sheffield	Stockbridge	Washington
West Stockbridge	Williamstown	Windsor

RTA Funding

Annual funding is provided through grants, operational and capital assets through the Commonwealth as well as Federal grants consisting of:

- Federal Government
- State Contract Assistance (SCA). *Funds that come to the Massachusetts state legislature annually. These funds are then sent to MassDOT to be distributed to the RTAs for assistance.*
- Local Assessments
- Tolls Credit
- RTA fares, advertising
- Private/Philanthropic

III. Scope and Objectives

The Massachusetts Department of Transportation Rail and Transit Division (RTD) per the authority granted in Section 53 Chapter 6C of the General Laws has a legal requirement to ensure that the State RTACAP funds are used appropriately by the BRTA.

AO is focused on the risks that would impact BRTA's state funding source, capital and operating assets, and business practices.

The period covered by this audit was Fiscal year 2024, covering July 1, 2023, to June 30, 2024.

AO completed an internal controls audit, focused on assessing the design and effectiveness of the following:

- **RTACAP Expenditures** - to assess whether expenditures are properly related to projects listed on the RTACAP approved project list and stay within the approved project budgets and verify the existence of the FY 2024 project assets.
- **Vendor Invoices** - to determine if invoices are reviewed and authorized by appropriate personnel prior to payment and support BRTA's operations. Payments are posted to the BRTA's Open Government portal.
- **Vehicle Titles** - to determine if BRTA maintains sufficient documentation to demonstrate ownership and stewardship of state-funded vehicles and verify the existence of BRTA vehicles.
- **Asset Security** - to determine if there is sufficient physical security over BRTA owned or leased assets.
- **Contract Tracking** - to determine if BRTA maintains sufficient tracking of contracts and funding received from MassDOT and if applicable, reports the federally funded contracts and amounts in their CPA Single Audit Report per CFR 200 Subpart F.
- **Standard Operating Procedures and Internal Control Documents** - to determine if BRTA has sufficient and updated standard operating policies and procedures and internal controls documents for the various functions of their operations.

Please note, documents for review and testing were requested electronically. There were no prior year open findings to review.

IV. Findings

Finding Title	Ranking	Page
Single Audit (A-133) non-compliance.	Minor	9

Single Audit (A-133) non-compliance. – Minor

The BRTA failure to post the Independent Auditors' Report on Internal Control over Financial Reporting and Compliance (A-133 Single Audit) to the Open Government searchable website, put it out of compliance with Section 14C of Chapter 7 of the Massachusetts General Laws ("MGL"). Which requires agencies, including quasi-public independent entities, such as BRTA, to report their "appropriations, expenditures, grants, subgrants, loans, purchase orders, infrastructure assistance and other forms of financial assistance" to the Secretary of the Executive Office of Administration and Finance ("EOAF") for inclusion on the Office of the State Comptroller's searchable website. Section 14C(e) states, "all agencies shall provide to the secretary all data that is required to be included in the searchable website not later than 30 days after the data becomes available to the agency. BRTA was in non-compliance with the Independent Auditors' Report on Internal Control over Financial Reporting and Compliance (A-133 Single Audit) requirement of Section 14C of Chapter 7, posting data to the searchable website.

Risk

Not having the searchable website updated timely affects the transparency, which is required by law for state financial awards and expenditures.

Recommendation

BRTA Management must consider the following:

- Periodically review BRTA's Open Government website to ensure compliance with Section 14C of Chapter 7 of the Massachusetts General Laws (MGL).
- Establish monitoring controls to ensure that BRTA staff is responsible for this task, to adhering to these policies and procedures.

Management Response

1. BRTA has submitted the entire financial statement package including the A-133 Audit to many state agencies within the 30 days of availability window including MassDOT and EOAF to ensure the information was included on the state's searchable website.
2. In addition, BRTA also updated the BRTA website's Open Government section to include the annual Financial Statements, Single Audit, and W2 Wage information within 48 hours of notification of this audit finding.
3. In addition, BRTA requests a specific list of items required by Section 14C of Chapter 7 that specifically pertain to RTAs as some parts are not relevant. For instance, Item # 2, 'Local Aid to cities and towns, including amounts paid to individual municipal agencies' does not apply to Transit Authorities. Nor does # 5 'The reports required by Section 90 of Chapter 62c.

Responsible Parties: Robert Malnati, Administrator, BRTA

Management Implementation Date: November 12, 2025

Appendix 1: Finding Description

Finding Level	Definition	Action Required
Critical	Critical issues occur where required controls and safeguards are deficient or non-existent to mitigate the highest risks and/or to ensure statutory compliance. It is very likely that the issue will pose a significant imminent threat to employee and public safety and/or lead to significant financial loss, legal penalties, and major operational disruptions.	Immediate corrective action is necessary. Management should prioritize addressing these findings to mitigate risks and prevent further issues.
Major	Major issues occur when there are controls are in place but may require some improvement or better execution to ensure full coverage of statutory requirements and/or to better mitigate significant risks. While not imminent or critical, the issue could affect safety, compliance, financial accuracy, or operational efficiency. These could become critical if not addressed promptly.	Management should develop and implement action plans promptly to address these findings and improve processes and controls.
Minor	A minor issue that must be addressed in a timely manner. These findings do not pose immediate threats but may lead to minor risks, inefficiencies or process gaps where improvements can enhance efficiency and effectiveness.	Management should address these findings as part of ongoing improvements efforts.
Observation	An observation that does not pose an immediate risk but represent opportunities for improvement. These	Management may consider these observations for

	may include best practices, process optimizations, or areas for increased efficiency.	continuous improvement, but they do not require immediate action.