

OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

Official Audit Report – Issued August 23, 2023

Franklin Regional Transit Authority

For the period October 1, 2019 through September 30, 2021



OFFICE OF THE STATE AUDITOR

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August 23, 2023

Tina Cote, Administrator
Franklin Regional Transit Authority
12 Olive Street, Suite 1
Greenfield, MA 01301

Dear Ms. Cote:

I am pleased to provide to you the results of the enclosed performance audit of the Franklin Regional Transit Authority. As is typically the case, this report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, October 1, 2019 through September 30, 2021. As you know, my audit team discussed the contents of this report with agency managers. This report reflects those comments.

I appreciate you and all your efforts at the Franklin Regional Transit Authority. The cooperation and assistance provided to my staff during the audit went a long way toward a smooth process. Thank you for encouraging and making available your team. I am available to discuss this audit if you or your team have any questions.

Best regards,



Diana DiZoglio
Auditor of the Commonwealth

cc: Gina Fiandaca, Secretary of Transportation of the Massachusetts Department of Transportation
Eric Twarog, Advisory Board Chair of the Franklin Regional Transit Authority

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW OF AUDITED ENTITY	2
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	6
DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE.....	9
1. The Franklin Regional Transit Authority did not ensure that its employees and contractors completed initial or annual cybersecurity awareness training.	9

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of the Franklin Regional Transit Authority (FRTA) for the period October 1, 2019 through September 30, 2021.

In this performance audit, we determined whether FRTA delivered paratransit services required by the American with Disabilities Act (ADA) on time in accordance with federal law and FRTA procedures. We also determined whether FRTA ensured that the investigations and responses to ADA paratransit complaints, filed by riders or the general public, were in compliance with federal law and FRTA's *ADA Complementary Paratransit Policies and Procedures*.

Below is a summary of our finding and recommendation, with links to each page listed.

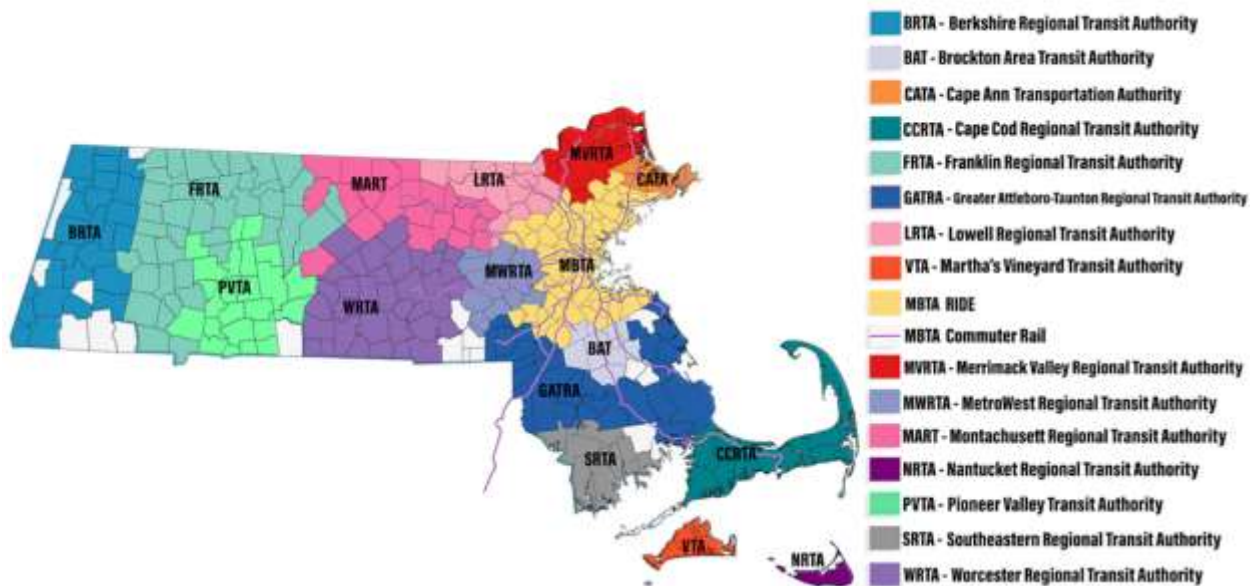
Finding 1 Page <u>9</u>	FRTA did not ensure that its employees and contractors completed initial or annual cybersecurity awareness training.
Recommendation Page <u>9</u>	FRTA should ensure that its employees and contractors complete initial and annual cybersecurity awareness training.

OVERVIEW OF AUDITED ENTITY

Massachusetts Regional Transit Authorities

Chapter 161B of the Massachusetts General Laws established regional transit authorities (RTAs) and defined the roles and responsibilities for these authorities, the municipalities in which they operate, and the Commonwealth. According to Chapter 161B of the General Laws, RTAs are controlled by the municipalities in which they operate. Each RTA is governed by an advisory board composed of elected officials in the community (e.g., selectperson or mayor), as well as one representative of the disabled commuter population¹ and one representative of the local rider community. The advisory boards appoint administrators, establish bylaws, and approve budgets and changes to RTA services.

Section 53 of Chapter 6C of the General Laws makes the Rail and Transit Division of the Massachusetts Department of Transportation “responsible for overseeing, coordinating and planning all transit and rail matters throughout the commonwealth,” including intercity buses, the Massachusetts Bay Transportation Authority, and RTAs.



Source: Massachusetts Department of Transportation—Rail and Transit Division (<https://www.mass.gov/info-details/public-transportation-in-massachusetts>)

1. According to Section 5 of Chapter 161B of the General Laws, “This representative shall be mobility impaired, have a family member who is mobility impaired, be a caretaker of a person who is mobility impaired or work for an organization that serves the needs of the physically disabled.”

Currently, there is a network of 15 RTAs operating in the Commonwealth, in addition to the transit services provided by the Massachusetts Bay Transportation Authority. These RTAs serve a total of 272 cities and towns outside the greater Boston area. RTAs are funded through a combination of state appropriations, federal grants, local governments, transit fares, and other sources. State appropriations for the 15 RTAs increased from approximately \$80 million in fiscal year 2018 to approximately \$94 million in fiscal years 2021 and 2022.

Americans with Disabilities Act—Required Paratransit Services

The Americans with Disabilities Act (ADA) of 1990 recognized that some individuals' disabilities prevent them from using a fixed-route transit system.² Section 37(F) of Title 49 of the Code of Federal Regulations, which covers the transportation and related stipulations of the ADA, states,

Each public entity operating a fixed route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed route system.

The above regulation also establishes minimum levels of service that RTAs must provide for complementary paratransit services.

Franklin Regional Transit Authority

The Franklin Regional Transit Authority (FRTA) was established in 1978 and reports to the Rail and Transit Division of the Massachusetts Department of Transportation under Chapter 25 of the Acts of 2009. According to FRTA's "Comprehensive Regional Transit Plan Update," its mission statement is as follows:

FRTA has established a rural transit system that will improve the quality of life, environmental sustainability, and economic health of the region and its residents through cost-effective, accessible, safe, dependable, and courteous transportation services. FRTA is committed to finding ways to assist those living in the 41 member communities throughout Franklin, Hampden, Hampshire, and Worcester Counties so that they will have access to transit needed to nurture independence in all stages of life and allow less dependency on owning a vehicle. By educating consumers on the benefits of public transit, FRTA hopes to reduce the carbon footprint in their service area and surrounding communities.

FRTA's operations are overseen by an advisory board. FRTA's administrator, hired by the advisory board, is responsible for day-to-day administration of the agency.

2. Fixed-route transportation services have established routes, schedules, and stops.

FRTA provides transportation services to 41 cities and towns in Franklin, Hampden, Hampshire, and Worcester counties: Ashfield, Bernardston, Blanford, Buckland, Charlemont, Chester, Chesterfield, Colrain, Conway, Cummington, Deerfield, Erving, Gill, Goshen, Granville, Greenfield, Hatfield, Hawley, Heath, Huntington, Leyden, Middlefield, Montague, Montgomery, New Salem, Northfield, Orange, Petersham, Phillipston, Plainfield, Rowe, Russell, Shelburne, Shutesbury, Southampton, Southwick, Warwick, Wendell, Westampton, Whately, and Worthington.

During our audit period, FRTA contracted with First Transit, a privately operated company, to provide transit management and operation services for its demand-response transportation services³ provided to paratransit riders and the older population and its fixed-route bus services. First Transit managed all ADA-required paratransit and demand-response services provided during the audit period using a transit scheduling and dispatching system. Franklin Transit Management operates all transit services and is a wholly owned subsidiary of First Transit.

On-Time Performance for ADA-Required Paratransit Services

According to FRTA's *ADA Complementary Paratransit Policies and Procedures*, FRTA uses a 30-minute on-time pickup window (15 minutes before and 15 minutes after the scheduled pickup time) to calculate on-time performance. This 30-minute pickup window determines whether a trip is on time or late. It also defines the period during which the rider is expected to be ready and waiting for the driver to arrive.

FRTA has a memorandum of understanding with the Massachusetts Department of Transportation that includes on-time performance metrics. These metrics cover required minimum percentages for on-time trips.

ADA Paratransit Complaints

ADA paratransit complaints are complaints related to ADA-required paratransit services. According to Section 27.13 of Title 49 of the Code of Federal Regulations, transportation programs that receive federal funding must adopt complaint procedures and designate a responsible employee to coordinate these procedures.

3. Demand-response transportation services are non-fixed route services that must be requested by riders and scheduled by dispatchers through a transportation service.

ADA paratransit complaints, submitted by riders and the general public, can be filed orally, in writing, or electronically with FRTA or First Transit. FRTA's ADA administrator documents, reviews, verifies, and resolves complaints. FRTA's ADA administrator provides a written determination and a description of the resolution, if any, to the complainant no later than 21 calendar days after the complaint was filed. A complainant can make a request for reconsideration within 7 calendar days of the complaint determination date, and FRTA's assistant administrator responds to the complainant's request within 10 calendar days.

FRTA Paratransit Ridership Information

The table below summarizes FRTA's paratransit information for fiscal years 2019, 2020, and 2021.

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Number of Active Riders	24	20	9
Number of Trips	2,027	1,403	536
Number of Miles	8,268	4,449	3,313
Number of Drivers	25	22	12
Number of Vehicles Used	11	13	16

FRTA Funding Sources

In fiscal years 2019, 2020, and 2021, FRTA received revenue from a variety of sources, including fares and federal, state, and local assistance. The table below shows the types of funding FRTA received during fiscal years 2019, 2020, and 2021.

Type of Funding	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
State and Contract Assistance	\$ 975,775	\$ 1,117,428	\$ 1,300,235
Local Assistance	474,207	495,591	507,981
Federal Assistance	1,180,585	1,003,343	631,109
Fixed-Route Income	132,520	98,580	7,597
Demand-Response Income*	120,445	111,345	103,183
Other Assistance	37,698	193,568	49,935
Other Revenue**	138,051	126,975	126,729
Total	<u>\$ 3,059,281</u>	<u>\$ 3,146,830</u>	<u>\$ 2,726,769</u>

* This includes paratransit income.

** Other revenue is from advertising, interest, rental income, and miscellaneous sources.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of the Franklin Regional Transit Authority (FRTA) for the period October 1, 2019 through September 30, 2021.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Does FRTA deliver paratransit services required by the Americans with Disabilities Act (ADA) on time in accordance with Section 37.23(a) of Title 49 of the Code of Federal Regulations and FRTA's <i>ADA Complementary Paratransit Policies and Procedures</i> ?	Yes
2. Does FRTA ensure that all ADA paratransit complaints are investigated and responded to as required by Section 27.13(b) of Title 49 of the Code of Federal Regulations and FRTA's <i>ADA Complementary Paratransit Policies and Procedures</i> ?	Yes

Additionally, we determined that FRTA did not provide its employees and contractors with initial or annual cybersecurity awareness training (see Finding 1).

To achieve our audit objectives, we gained an understanding of FRTA's internal control environment related to the objectives by reviewing applicable agency policies and procedures, as well as conducting inquiries with FRTA's staff members and management. We evaluated the design of controls over ADA-required paratransit services and ADA paratransit complaints.

We performed the following procedures to obtain sufficient, appropriate audit evidence to address the audit objectives.

On-Time Performance for ADA-Required Paratransit Services

To determine whether FRTA delivered ADA-required paratransit services on time, we analyzed 100% of the 1,762 trips conducted during the audit period. We calculated the number of minutes between the scheduled pickup time and First Transit's reported pickup time for each trip to determine whether it was within FRTA's 30-minute pickup window. There were 109 late trips out of the 1,762 total trips. We chose a nonstatistical sample of 35 out of the 109 late trips, which consisted of the 10 late trips with the largest variance between the scheduled and reported pickup times that we targeted, as well as a random, nonstatistical sample of 25 trips from the remaining 99 late trips. For all 35 trips sampled, we reviewed trip manifests and interviewed FRTA management to determine the causes of these late trips. To determine whether FRTA met the on-time performance metrics for its ADA-required paratransit service, we compared the actual on-time performance percentages to the percentages in FRTA's memorandum of understanding with the Massachusetts Department of Transportation.

ADA Paratransit Complaints

To determine whether FRTA resolved all ADA paratransit complaints in accordance with the complaint section of its *ADA Complementary Paratransit Policies and Procedures*, we obtained all three complaints filed during the audit period. To determine whether FRTA resolved these complaints and provided written determinations to the complainants no later than 21 calendar days after they were filed, we reviewed the written complaints and correspondence to the complainants. We reviewed complaints and FRTA's notes on the complaints to determine the dates of investigations and the dates that responses were sent to the complainants.

We used nonstatistical sampling methods for testing and therefore did not project the results of our testing to the entire population.

Data Reliability Assessment

To determine the reliability of the data in FRTA's transit scheduling and dispatching system, we interviewed FRTA officials and the transit scheduling and dispatching system's customer service representatives who had knowledge about the data. We also tested selected information system controls (security management, configuration management, contingency planning, and segregation of duties), with the exception noted in Finding 1. We verified the transit scheduling and dispatching system's paratransit trip data by testing for duplicate records, records outside of the audit period, and gaps within

the list of trip identification numbers. We analyzed all trips from a specific day and sorted them from morning to night to determine whether FRTA scheduled trips in a logical order. We obtained a list of riders who were eligible for ADA-required paratransit services from FRTA's ADA administrator, selected a random sample of 10 riders, and traced the names of those 10 riders to the hardcopy ADA-required paratransit service rider applications. We randomly selected 10 hardcopy ADA-required paratransit service rider applications and traced them to the list of riders who were eligible for ADA-required paratransit services. We verified that all individuals who received ADA-required paratransit service rides during the audit period were on the list of riders who were eligible for ADA-required paratransit services.

Based on the results of our data reliability procedures performed above, we determined that the data obtained for our audit period were sufficiently reliable for the purpose of our audit.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. The Franklin Regional Transit Authority did not ensure that its employees and contractors completed initial or annual cybersecurity awareness training.

The Franklin Regional Transit Authority (FRTA) did not ensure that its employees and contractors completed initial or annual cybersecurity awareness training. During the two-year audit period, none of FRTA's 23 employees and contractors completed cybersecurity awareness training.

Without educating all its employees and contractors on their responsibility to protect information assets, FRTA is exposed to a higher risk of cybersecurity attacks and financial and/or reputational losses.

Authoritative Guidance

As a best practice, FRTA should follow the Executive Office of Technology Services and Security's Information Security Risk Management Standard IS.010, effective October 15, 2018, which the Massachusetts Department of Transportation is required to follow. This standard states,

6.2.3 New Hire Security Awareness Training: All new personnel must complete an Initial Security Awareness Training course. This course shall be conducted via web-based learning or in class training and shall be included in the new hire orientation checklist. The New Hire Security Awareness course must be completed within 30 days of new hire orientation.

*6.2.4 Annual Security Awareness Training: All personnel will be required to complete Annual Security Awareness Training. Once implemented, automatic email reminders will be sent to **personnel** 12 months after course completion, alerting **personnel** to annual refresher training completion deadlines.*

Reasons for Issue

FRTA's management stated that, during the audit period, the Massachusetts Department of Transportation did not require FRTA's employees and contractors to complete initial or annual cybersecurity awareness training.

Recommendation

FRTA should ensure that its employees and contractors complete initial and annual cybersecurity awareness training.

Auditee's Response

The current FRTA Administrative staff (4 employees) have all participated in [the Massachusetts Department of Transportation's] cyber training program in 2021. . . . Our Councils on Aging and other vendors do not interface with our computers and none of those groups are employed by FRTA.

Auditor's Reply

During our audit, we requested and received a list of users with access to the transit scheduling and dispatching system from FRTA's assistant administrator. This list included 23 active system users. Four of the users were FRTA employees and the other 19 were contractors. During our assessment of FRTA's information system general controls in June 2022, the assistant administrator informed us that system users were not required to complete security awareness training.

During our informal exit meeting with FRTA in November 2022, its administrator told us that the four FRTA employees received the Massachusetts Department of Transportation's cybersecurity awareness training in 2021 and that they would look into finding any certificates of completion for this training. However, FRTA did not provide us with these certificates of completion; therefore, we could not determine whether or when these four employees received this cybersecurity awareness training.

We encourage FRTA to document its cybersecurity awareness training procedures and retain documentation that provides evidence that its employees completed cybersecurity training and what date they completed it. Furthermore, we strongly encourage FRTA to require the contractors / vendors who have access to its transit scheduling and dispatching system to complete cybersecurity awareness training, in an effort to protect the integrity of its information assets.