FY24 Audits of Regional Transit Authorities (RTAs)

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Table of Contents

Audits of Regional Transit Authorities (RTAs)

Background, Scope and Objectives

Audit Background

MassDOT Audit Operations (“AO”) completed internal control audits of Nantucket Regional Transit Authority ("NRTA"), Berkshire Regional Transit Authority ("BRTA"), Cape Ann Transportation Authority ("CATA"), and Montachusett Regional Transit Authority ("MART"). The periods under audit for all four RTAs were FY2024 (July 1, 2023 - June 30, 2024).

The purpose of these audits were to review the adequacy of internal controls surrounding four Regional Transit Authority’s state funding sources, capital and operating assets, and business practices. Audit fieldwork included a site visit to complete a walkthrough of the RTA’s maintenance facilities, other owned and leased properties, and security systems.

Audit Scope and Objectives

The primary objectives of these audits focused on assessing the design and effectiveness of internal controls over the following:

- RTACAP expenditures
- Vendor invoices
- Vehicle titles
- Asset security
- Contract tracking
- IT disaster recovery

Summary of Results

Findings, Improvements and Observations

Audit Results

MassDOT Audit Operations did not identify any Critical or Major Findings in the completion of these audits.

Noted Improvements Identified:

- Security and monitoring of facilities
- Financial reporting accuracy
- Overall Open Check Book compliance
- Safeguarding and recording of assets
- Accuracy and recording funds used
- Disaster recovery and cybersecurity awareness and control actions.

Minor Issues / Observations Identified:

- Some delays in Open Check Book reporting (3 of the 4 RTAs audited were late updating)- All 3 RTAs have agreed to update their Open Check Book as soon as the data becomes available to them.
- 1 Federal contract not reported in financial statements (CATA) - CATA acknowledges that the FY24 SEFA failed to include a federally funded MassDOT contract with expenditures to CATA in FY24. CATA will closely review future SEFAs to ensure all appropriate contracts and federal awards are included.
- Lack of disaster recovery planning / program (NRTA). Important note: NRTA's facilities are tied to the Town of Nantucket, limiting their DR capabilities and initiative - NRTA is looking to implement an independent IT program once their new admin office is renovated and will work to build a DR program. Renovations are expected to be completed in the next quarter.

Summary of Results

Observations and Conclusion

Minor Issues / Observations Identified (continued):

- Lack of formal credit card policy (NRTA)- NRTA is working on a draft policy now and expects to have it completed next quarter.
- Inaccurate asset recording for some fleet vehicles (NRTA)- NRTA has worked with the maintenance manager to ensure the Fleet list is correct. NRTA will submit the corrected Fleet list if necessary and will have a written policy in place to make sure all items are current and correct moving forward.
- Outdated accounting policies and procedures manual (NRTA) - NRTA has engaged a new accounting firm to oversee finances. It is NRTA's intent to use these resources to help develop a new Accounting Procedures Manual. This should be completed within 60 days.

The RTAs and MassDOT RTD were very cooperative and provided strong assistance throughout the audits.

Audit Conclusion

Based upon the results of these audits, AO believes internal and operational controls are adequate and in place for all four RTAs.

Thank you

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