



OFFICE OF MANAGEMENT & BUDGET

Office of Internal Audit and Program Integrity

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8170
Fax: (401) 574-9255

November 7, 2025

Christopher Durand, Chief Executive Officer
Rhode Island Public Transit Authority
705 Elmwood Avenue
Providence, RI 02907

Dear Mr. Durand:

In accordance with Rhode Island General Laws (RIGL) § 42-155-7, the Office of Internal Audit and Program Integrity (OIAPI) conducted its audit of Rhode Island Public Transit Authority (RIPTA). In this effort, OIAPI engaged Weaver and Tidwell L.L.P. (Weaver), a national accounting and advisory firm, to supplement its internal audit resources by providing external expertise and support for this engagement.

OIAPI assessed RIPTA's adherence to RIGL § 42-155 the Quasi-Public Corporations Accountability and Transparency Act. Additionally, OIAPI completed a performance review of RIPTA's current controls around the monitoring of their capital and infrastructure programs.

The recommendations included herein have been discussed between Weaver and members of management, and their responses to the audit findings and recommendations were considered in the preparation of this report. OIAPI will follow up on the recommendations included in this report.

We would like to express our sincere appreciation to Rhode Island Public Transit Authority's staff for the cooperation and courtesy extended to the members of our team during this audit.

Respectfully,

Andrew Manca
Chief of Internal Audit & Program Integrity

Cc: Internal Audit Advisory Group
The Honorable Marvin Abney, Chairman, House Committee on Finance
The Honorable Louis DiPalma, Chairman, Senate Committee on Finance
Steven Whitney, Senate Fiscal Advisor
Sharon Reynolds Ferland, House Fiscal Advisor

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Introduction

The Office of Internal Audit and Program Integrity (OIAPI) conducted a limited-scope review of the Rhode Island Public Transit Authority (RIPTA). The review focused on assessing compliance with the disclosure requirements outlined in Rhode Island General Laws (RIGL) § 42-155, known as the Quasi-Public Corporations Accountability and Transparency Act (the Act).¹ This process involved requesting information from RIPTA's staff, researching their website for transparency disclosures, and evaluating whether each document satisfied the requirements of the Act. OIAPI also conducted a performance audit of RIPTA's budget allocation and project management practices to ensure effective use of funds and compliance with internal policies and state regulations. Lastly, OIAPI collaborated with the Cybersecurity and Infrastructure Security Agency (CISA) to assess the agency's operational cyber resiliency. OIAPI has found this collaboration beneficial for agencies to ensure cyber preparedness against disruption and potential attacks. This assessment is done independently as an added benefit for agencies. CISA conducts the interviews and relays the results directly to the agency.

Presented below are the background, objective, scope, methodology, findings, recommendations, and management's responses (including the responsible party and anticipated completion date).

Background

Established in 1964, RIPTA serves as the State's primary public transit provider, operating 59 fixed-route bus lines and several demand-responsive Flex services across 37 of Rhode Island's 39 municipalities.² Flex Service is a reservation-based public transit option tailored for areas with limited or no fixed-route bus service. Passengers can either board at scheduled Flex stops or specify their own pickup/drop-off points within a designated Flex Zone, and the fare matches that of regular RIPTA fixed-route buses. RIPTA's core fixed-route network is anchored by three major transit hubs: Kennedy Plaza in Providence, Pawtucket/Central Falls station, and the Newport Gateway Center.

RIPTA is currently executing a long-range strategic vision under "Transit Forward RI 2040," adopted in December 2020.³ This plan outlines phased investments through 2040 aimed at increasing frequency, expanding dedicated lanes, enhancing regional mobility, and supporting climate goals. Among its infrastructure initiatives is the Central Falls to Warwick corridor feasibility study, which is evaluating the implementation of high-capacity transit options, either Bus Rapid Transit or light rail, to serve densely populated areas in Pawtucket, Providence, and Cranston. The corridor project is part of the State's Regional Long-Range Transportation Plan and is backed by a U.S. Department of Transportation's Rebuilding

¹ [Chapter 155: Quasi-Public Corporations Accountability and Transparency Act](#)

² [Flex Service - RIPTA](#)

³ [Transit Forward RI - RIPTA](#)

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American Infrastructure with Sustainability & Equity (RAISE) grant of approximately \$900,000.⁴ The RAISE grant funds planning and capital projects to improve transportation infrastructure with a focus on safety, sustainability, equity, and economic development.

Meanwhile, RIPTA has launched several capital and infrastructure projects in recent years:

- A \$25 million renovation of the historic East Side Tunnel, originally part of Providence’s 1914 trolley system. This project addressed drainage, lighting, and structural upgrades, preserving critical transit infrastructure that serves approximately 4,500 daily riders via multiple bus routes.
- A \$7.4 million Federal Transit Administration (FTA) grant awarded in July 2024 for Phase 1 rehabilitation of the 102-year-old Melrose Street maintenance and office facility in Providence. The modernization includes roof and façade repairs, HVAC upgrades, asbestos abatement, and expansion of driver training space to support future fleet electrification in alignment with Transit Forward RI implementation.
- A \$1.8 million bus stop enhancement at the Community College of Rhode Island (Warwick), featuring real-time information displays, ADA-accessible seating, improved safety features, solar-powered amenities, and enhanced lighting and signage. This project is intended to improve station infrastructure and connectivity for ridership centers.
- Approval of a public–private partnership (P3) with Next Wave Rhode Island Partners to design and construct a new downtown Providence transit center. The board approved the Phase 1 planning contract in early 2024 (~\$16.9 million), with total projected costs estimated around \$77 million. The multi-phase P3 model emphasizes public input, preliminary design, cost estimation, and financial structuring, culminating in a modern, centralized facility to replace much of the current Kennedy Plaza operations.

These large-scale capital projects are funded by a combination of state appropriations from the Rhode Island Capital Plan Fund, dedicated gasoline tax revenues, and federal grants including RAISE and the FTA’s Bus & Facilities program. They span infrastructure categories, from station building renovations and bus stop upgrades to corridor feasibility design and hub redevelopment, reflecting RIPTA’s multi-modal approach to capital planning and execution.

RIPTA’s capital and infrastructure projects involve a range of interconnected processes, including planning, funding, procurement, design, and construction. These projects are components of the agency’s long-term operational and strategic framework outlined in Transit Forward RI 2040. As such, they serve as the basis for this audit’s evaluation of budget allocation methods, project oversight and controls, cost management, and compliance with both internal policies and applicable state regulations.

⁴ [Long Range Transportation Plan - Moving Forward RI 2050 | Rhode Island Division of Statewide Planning](#)

Objective and Scope

OIAPI conducted a limited-scope audit of RIPTA to evaluate its adherence to the Quasi-Public Corporations Accountability and Transparency Act, and reviewed RIPTA's controls regarding their project oversight, internal controls, and budget allocation.

The Quasi Public Corporations Accountability and Transparency Act is designed to ensure efficient governance, fiscal responsibility, and ethical conduct within quasi-public corporations by imposing reporting requirements, oversight mechanisms, and ethical guidelines. By promoting transparency and accountability, the Act seeks to protect public interests, improve operational performance, and strengthen public trust in quasi-public corporations.

Methodology

Engagement of External Audit Firm

OIAPI engaged Weaver and Tidwell, L.L.P. (Weaver), an external accounting and advisory firm, to augment its internal resources for this audit. Weaver was selected through a competitive bidding process per the State's procurement guidelines. The results of the limited-scope review on the Quasi-Public Corporations Accountability and Transparency Act review and RIPTA's budget allocation, project oversight, cost management, and policy compliance are detailed in this report.

Quasi-Public Corporations Accountability and Transparency Act Review

To ensure compliance with the Quasi-Public Corporations Accountability and Transparency Act, the following steps were performed:

- Requested information required under the Quasi-Public Corporations Accountability and Transparency Act.⁵
- Researched RIPTA's website for adequate transparency disclosures.
- Evaluated and identified if each document provided satisfied statutory requirements under the Quasi-Public Corporations Accountability and Transparency Act.

RFP Procurement Process

To address the performance audit objectives, the following steps were performed:

- Conducted interviews with relevant personnel from RIPTA to gain an understanding of their background and operating processes regarding the sale and acquisition process.
- Reviewed policies, procedures, laws and regulations relevant to RIPTA's controls regarding capital and infrastructure projects.

⁵ webserver.rilin.state.ri.us/Statutes/TITLE42/42-155/42-155-6.htm

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- Obtained samples of eight capital projects issued between the dates of July 1, 2023, and June 30, 2024.

Findings, Recommendations, and Management's Response

FINDING #1: Lack of Finalized Project Management Policy and Standards

During the review of RIPTA's procedures for initiating and managing capital and infrastructure projects, OIAPI sought to assess RIPTA's compliance with internal project management policies and relevant state regulations. This review was intended to include an examination of initiation documentation, funding sources, project scopes, and project timelines. However, the Project Management Policy and the Project Management Standards Manual provided for review were both in draft form and had not been formally approved or adopted by RIPTA's governing board. When RIPTA was asked to provide the policies and procedures they follow and maintain, they stated that the document submitted was a draft. While they stated they aim to follow it for new projects, RIPTA does not consider it mandatory until it has been formally approved. As such, they could not be relied upon as authoritative internal criteria for the purpose of this assessment.

In the absence of finalized and board-approved project management policies, OIAPI was unable to complete audit procedures related to the agency's compliance with internal project governance standards. The lack of formally adopted policies also limits RIPTA's ability to ensure consistency, accountability, and transparency in the planning and execution of capital and infrastructure projects.

RECOMMENDATION:

- 1A: Prioritize the finalization and formal adoption of the Project Management Policy and Project Management Standards Manual to provide authoritative guidance and ensure consistent project governance across RIPTA.

MANAGEMENT'S RESPONSE:

Both the Project Management Policy and the Project Management Standards Manual are being updated along with a redeveloped, significantly more detailed, Project Dashboard (as discussed below in recommendations 2A through 2D). Both documents will be formally approved and released for use.

RESPONSIBLE PARTY:

James Canty, Deputy Chief of Project & Facilities Management

ANTICIPATED COMPLETION DATE:

February 1, 2026

FINDING #2: Inadequate Project Performance Monitoring Framework and Documentation

Project performance monitoring provides capital and infrastructure project oversight, ensuring that timelines, budgets, scope, and outcomes remain aligned with expectations and funding requirements. Additionally, effective financial oversight of capital and infrastructure projects requires comparing budgeted costs with actual expenditures. This depends on maintaining accurate financial records and consistently capturing project data. These elements help identify cost overruns, verify compliance with funding terms, and demonstrate accountability in the use of public funds. As part of this audit, OIAPI assessed the adequacy of RIPTA's performance monitoring practices across a sample of capital projects by reviewing documentation such as project scopes, schedules, key performance indicators (KPIs), progress reports, milestone tracking logs, and variance analyses.

RIPTA was unable to provide complete project files for the selected projects. Documentation was missing or incomplete, including project charters, baseline schedules, performance metrics, budget tracking reports, and evidence of ongoing performance evaluation or corrective action. As a result, OIAPI was unable to determine whether performance monitoring procedures were adequately designed or implemented for the projects under review.

RIPTA utilizes a Capital Projects Dashboard, maintained in Excel, to track project performance. While this dashboard is intended to serve as a centralized tool for oversight, OIAPI observed that it is highly manual in nature and contained several data gaps. Fields related to purchase orders, change orders, financial notes, and invoice tracking were inconsistently populated, reducing the tool's effectiveness for real-time project management and increasing the risk of data entry errors and processing delays. During Fiscal Year 2024, the total funding allocated to all projects were approximately \$51 million, while the estimated cost to complete them totaled approximately \$56 million, highlighting the importance of accurate and timely data to monitor potential budget shortfalls.

In addition, RIPTA does not appear to have fully developed or implemented a comprehensive project performance monitoring framework. Expected components in such frameworks, including clearly assigned monitoring roles and responsibilities, standardized performance metrics (e.g., schedule adherence, cost variance, scope compliance), variance thresholds, escalation protocols, performance reporting templates, and lessons learned procedures, were not present in policy or project documentation reviewed.

Further, no evidence was provided to demonstrate that project managers or staff involved in project oversight had received formal training on performance monitoring practices or tools. The absence of a structured, well-documented performance monitoring framework limits RIPTA's ability to:

- Detect and address underperformance early;

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- Track and compare project progress over time;
- Report reliably to senior leadership and external stakeholders; and
- Incorporate lessons learned into future project planning.

This lack of standardized monitoring practices and documentation increases the risk of project delays, cost overruns, inconsistent oversight, and noncompliance with state and federal expectations for capital project management.

RECOMMENDATIONS:

- 2A: Develop and formalize a comprehensive project performance monitoring policy and procedures manual that includes roles and responsibilities, standardized metrics (e.g., schedule, budget, scope, reconciliation processes, and outcome-based KPIs), reporting formats, and escalation protocols for performance issues.
- 2B: Establish clear expectations for maintaining complete project documentation including, but not limited to, project charters, scopes, baselines, cost estimates, incurred expenses, change orders, invoice histories, status reports, and variance logs for all capital and infrastructure projects. Ensure all information is stored in a centralized, accessible location.
- 2C: Improve the functionality and accuracy of the Capital Projects Dashboard by addressing identified data gaps and ensuring that all relevant financial and project-related fields are populated in a timely and consistent manner.
- 2D: Incorporate post-project reviews and lessons learned assessments into project closeout procedures, and ensure that insights are used to improve future project planning and execution

MANAGEMENT'S RESPONSE:

Each of these recommendations are being addressed, first with a new detailed Project Tracker Workbook (one per project) that will feed a new overall Project Dashboard and second, through monthly review of the more detailed data by key departments (Finance, Procurement/Accounts Payable, Risk Management, etc.). This will be clearly documented in the revised Standards Manual.

The Project Tracker spreadsheet will include detailed logs. For example, the Project Manager will not just update the Project's Substantially Complete date but will add a new line each time the date changes and add an explanation for the change. This method will be used for all changes to the Scope, Schedule and Budget. The Project Tracker Workbook will have individual spreadsheets for the Scope & Financials, Risk and Lessons Learned. Additionally, the Project Tracker will include automatically calculated KPIs and checkboxes/dates for completing key steps including Stakeholder Meetings, revisions to the Project Management Plan and Schedule, completion of design, post-project reviews, etc.

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RESPONSIBLE PARTY:

James Canty, Deputy Chief of Project & Facilities Management

ANTICIPATED COMPLETION DATE:

February 1, 2026

FINDING #3: Non-Compliance With the Quasi-Public Corporations Accountability and Transparency Act

OIAPI assessed RIPTA's adherence to the Quasi-Public Corporation Accountability and Transparency Act as outlined in RIGL § 42-155 and RIGL § 42-90. The review identified several areas where RIPTA has not fully complied with the Act's requirements, as detailed below.

Finding #3A. Incomplete and Outdated Contracting Reports

Pursuant to RIGL § 42-90-1(a) through (c), quasi-public entities are required to prepare and submit to the state budget office, by October 1 of each year, a contracting report that includes:

- A list of vendors or contractors providing professional, technical, or consultant services, along with the amount of compensation received during the previous fiscal year (RIGL § 42-90-1(a)); and
- Digital/electronic copies of all contracts for services valued at \$150,000 or more that replace work normally performed by employees (RIGL § 42-90-1(b)). These reports must be posted to the state's transparency portal by December 1 annually (RIGL § 42-90-1(c)).

As of the time of OIAPI's review, the most recent contracting report publicly available on RIPTA's website was for Quarter 1 of 2020. No additional reports have been made available to the public in more than five years since. As a result, information regarding high-value contracts, vendor compensation, and outsourced services has not been available for public review, limiting the transparency intended by the statute.

Finding #3B. Lack of Board-Approved Code of Ethics and Indemnification Policy

RIGL § 42-155-4(a)(3) requires that each quasi-public entity maintain a Code of Ethics and an Indemnification Policy, which must be formally adopted and approved by the governing board. These policies are intended to ensure that ethical standards are clearly articulated and that protections for board members and staff are in place when acting in good faith on behalf of the organization. RIPTA did not provide documentation demonstrating that its board had reviewed or approved either policy. The absence of formally adopted policies introduces

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ambiguity in governance expectations and may expose the organization to reputational or legal risk.

Finding #3C. Inadequate Internal Policies on Lobbying Activities and Policy Maintenance

RIGL § 42-155-4(a)(2) requires that quasi-public entities adopt internal control procedures, including policies governing lobbying activities and the periodic review and approval of policies by the governing board.

During review, OIAPI noted the following:

- RIPTA does not have formalized internal policies governing lobbying activities, including elements typically found in such policies (e.g., disclosure and reporting requirements, gift restrictions, record-keeping, prohibited expenses, and penalties for non-compliance).
- All 11 internal policies reviewed were outdated, with last revision dates exceeding two years.
- There was no documentation provided to confirm that the board had formally reviewed and approved the internal policies, as required.

The absence of current and board-approved policies governing lobbying activities and broader internal operations limits RIPTA's ability to ensure compliance with statutory requirements and internal control best practices. Outdated policies may no longer reflect current laws, procedures, or organizational needs, increasing the risk of non-compliance and operational inefficiency.

While the Quasi-Public Corporation Accountability and Transparency Act is intended to promote responsible and transparent governance for public-facing organizations like RIPTA, OIAPI's review identified several areas where compliance could be strengthened. These gaps may impact RIPTA's overall transparency and accountability, affect the effectiveness of its governance structures, and increase the potential for reputational and operational challenges. Addressing these areas in a timely manner is recommended to support alignment with statutory expectations and reinforce public confidence in RIPTA's operations.

RECOMMENDATIONS:

- 3A: Establish formal processes and internal controls to ensure timely compliance with all reporting, publication, and documentation requirements outlined in the Quasi-Public Corporation Accountability and Transparency Act, including annual contracting reports and self-evaluations.
- 3B: Develop and adopt required governance policies, including a Code of Ethics, Indemnification Policy, and a policy governing lobbying activities, and ensure these are formally reviewed and approved by the governing board in accordance with statutory requirements.

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3C: Implement a policy management framework that includes regular review, update, and board approval of internal policies and procedures to ensure they remain current, legally compliant, and reflective of operational needs.

3D: Assign responsibility for monitoring compliance with applicable statutory requirements to designated personnel or a compliance function, and ensure that relevant deadlines, updates, and obligations are tracked and addressed proactively.

MANAGEMENT'S RESPONSE:

With regard to 3A – RIPTA receives the consultant transparency request from OMB on an annual basis. We will post the annual responses on our website.

With regard to 3B – RIPTA has prepared drafts of a Code of Ethics, Indemnification Policy, and Lobbying Policy. We will bring these policies before the Board of Directors for approval.

With regard to 3C – RIPTA has prepared a draft Policy on Policies which includes parameters and procedures for regular reviews, updates, and approvals of all policies.

With regard to 3D – RIPTA's Legal Department will monitor for applicable statutory requirements.

RESPONSIBLE PARTY:

For 3A – Nathan Watchous, Deputy Chief of Finance

For 3B, 3C, 3D – Roy Rivers, Executive Paralegal

ANTICIPATED COMPLETION DATE:

For 3A and 3D – Completed.

For 3B and 3C – February 1, 2026