



OFFICE OF MANAGEMENT & BUDGET

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February 4, 2026

Iftikhar Ahmad, President and Chief Executive Officer
Rhode Island Airport Corporation
2000 Post Road
Warwick, RI 02886

Dear Mr. Ahmad:

In accordance with Rhode Island General Laws (RIGL) § 42-155-7, the Office of Internal Audit and Program Integrity (OIAPI) conducted its limited-scope audit of Rhode Island Airport Corporation (RIAC). 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 expertise and support for this engagement.

OIAPI assessed RIAC's adherence to RIGL § 42-155, the Quasi-Public Corporations Accountability and Transparency Act. Additionally, OIAPI conducted a performance review of RIAC's controls over the allocation and management of funding across both operational and capital expenditures. This review assessed whether RIAC's procedures and controls related to project budgeting, procurement, vendor management, cost control, and monitoring comply with internal policies and applicable state and federal laws and regulations. The audit results presented herein were discussed between Weaver and RIAC management prior to the preparation of this report.

We would like to express our sincere appreciation to the Rhode Island Airport Corporation's staff for the cooperation during this audit.

Respectfully,

Andrew Manca
Chief of Internal Audit and Program Integrity

Cc: Internal Audit Advisory Group
The Honorable Marvin Abney, Chairman, House Committee on Finance
The Honorable Louis P. 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 audit of the Rhode Island Airport Corporation to evaluate its adherence to the Quasi-Public Corporations Accountability and Transparency Act. OIAPI assessed the allocation and management of operational and capital funds, and the effectiveness of controls over project budgeting, procurement, vendor oversight, cost management, and performance monitoring. Presented below are the background, objective, scope, methodology, and summary of audit results.

Background

The Rhode Island Airport Corporation (RIAC) was established on December 9, 1992, as a quasi-public corporation and subsidiary of Rhode Island Commerce Corporation.¹ As a subsidiary public instrumentality, RIAC operates independently from the State's general fund, maintaining their own bookkeeping, records and management. RIAC is tasked with the planning, development, management, ownership, operation, maintenance, renovation, construction, and disposition of state-owned airport facilities throughout Rhode Island. Under federal law (49 U.S.C. §§ 47107(b) and 47133) and Federal Aviation Administration Grant Assurance 25, airport revenues may be used only to pay for airport operations, maintenance, and capital needs, or other costs directly related to aviation, and may not be used for general government expenses or other non-airport purposes. RIAC operates and maintains six airports:

- Rhode Island T. F. Green International Airport
- Quonset State Airport
- Block Island State Airport
- North Central Airport
- Newport State Airport
- Westerly State Airport

The Rhode Island T.F. Green International Airport (T.F. Green Airport) is the primary commercial airport while the other five are general aviation airports. General aviation airports

¹ [Our Story - Rhode Island T. F. Green International Airport | PVD](#)

primarily support non-commercial, non-scheduled aviation activity, including private and recreational flying, flight training, emergency services, corporate aviation, and charter operations. They typically do not host regular commercial passenger airline service but support local transportation needs, business travel, aeronautical services, and economic activity. These airports also provide essential access points for aviation-related industries, contribute to statewide emergency response capabilities, and serve as reliever airports that help reduce congestion at the primary commercial facility. The scope of RIAC oversight includes not only commercial aviation operations at T.F. Green Airport but also general-aviation services, navigation facilities, air schools, and flying clubs.

RIAC is governed by a seven-member Board of Directors, all of whom are appointed by the Governor of Rhode Island and serve staggered terms. As such, RIAC is intended to operate with a mix of public accountability and operational flexibility, enabling it to manage the State's airport system with a degree of autonomy while remaining subject to statutory oversight under State law. Historically, T.F. Green Airport was originally founded as Hillsgrove State Airport in 1931, making it the first State-owned and operated airport in the United States. Over decades, the airport has undergone various expansions and modernizations, including a major terminal renovation in 1996, runway improvements, and continuous infrastructure enhancements to meet evolving aviation demands.

Beyond aviation operations, RIAC pursues broader development opportunities. These include aviation- and non-aviation related commercial real estate leases or sales on airport-owned properties, managed under a structured leasing policy and supported by external brokerage services. RIAC has expressed commitment to economic development at the airports, fiscal stewardship, and promoting efficient utilization of airport system assets to support regional growth.

In recent years, RIAC has initiated a strategic business and master-planning process for its general aviation airports. This multi-year effort involves internal task forces with expertise in infrastructure, planning, finance, legal and property management, and engages consultants to assess business development opportunities and infrastructure needs. The process also includes community outreach including local officials at each airport location.

RIAC undertakes capital and infrastructure projects to maintain, improve, and expand airport facilities, systems, and airfield assets necessary to support safe and efficient airport operations. These projects can include, but are not limited to, runway and taxiway improvements, terminal renovations or expansions, utility and safety system upgrades, and other long-term infrastructure investments.

Capital and infrastructure projects progress through multiple phases, including planning, design, procurement, construction, and closeout. During the planning phase, projects are identified, scoped, and evaluated for alignment with RIAC's operational needs and long-term planning documents. Projects are also assessed to determine appropriate funding sources, estimated costs, timelines, and regulatory requirements.

Funding for these projects may be derived from a combination of federal grants and RIAC operating revenues. Federally funded projects are subject to specific requirements, including limitations on the federal share of total project costs and obligations for non-federal matching contributions. These requirements must be reflected in project budgets and monitored throughout project execution to ensure compliance with grant agreements and applicable regulations.

Once a project advances to design and construction, RIAC administers procurement activities to select qualified third-party vendors in accordance with established procurement policies, applicable state and federal laws and regulations.²³ Throughout the project lifecycle, RIAC is responsible for monitoring project performance, reviewing contractor submissions, approving change orders where necessary, tracking costs against approved budgets, and documenting progress through required reports and records.

Upon completion, projects are subject to closeout procedures, which may include final inspections, financial reconciliation, and, for grant-funded projects, submission of required closeout documentation to funding agencies. RIAC's oversight of capital and infrastructure

² Title 37 Chapter 2 State Purchases

³ 800-RICR-00-00-6 Procurement Regulations

projects is governed by internal policies which establishes expectations for documentation, approvals, and accountability across all phases of project delivery.

Objective and Scope

OIAPI conducted a limited-scope review of RIAC which 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).⁴ The 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.

OIAPI also conducted an audit examining how RIAC allocates and manages its funding, for both operational and capital expenditures, and whether procedures and controls over project budgeting, procurement, vendor management, cost-control, and performance monitoring meet applicable internal policies and regulatory expectations. While OIAPI typically coordinates with the Cybersecurity and Infrastructure Security Agency (CISA) to assess a quasi-agency's operational cyber resiliency, the Transportation Security Administration (TSA) is the designated sector-specific regulatory authority for aviation cybersecurity under 49 Code of Federal Regulations Part 1542 and TSA Emergency Amendment 23-01.⁵ RIAC's cybersecurity framework was reviewed and approved by TSA, and TSA has indicated its intent to initiate a regulatory audit of RIAC's cybersecurity program. Accordingly, reliance was placed on TSA's regulatory oversight in lieu of conducting a separate cybersecurity assessment.

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 review on the

⁴ Chapter 155: Quasi-Public Corporations Accountability and Transparency Act

⁵ 49 CFR Part 1542 - Airport Security

Quasi-Public Corporations Accountability and Transparency Act and RIAC'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.⁶
- Researched RIAC'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.

Operational and Capital Expenditure Controls Review

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

- Conducted interviews with relevant personnel from RIAC to gain an understanding of their background and operating processes regarding the capital and infrastructure project processes.
- Analyzed RIAC's budget allocation for both operational and capital expenditures, ensuring that funds are properly designated for essential services and projects.
- Reviewed projects and their corresponding budgets to assess financial oversight, including cost estimation, approvals, and procurement processes.
- Reviewed procedures for capital and infrastructure projects such as initiation documents, funding sources, project scopes, timelines, etc. to ensure compliance with RIAC's internal policies and relevant laws, rules, and regulations.
- Tested a sample of projects to conduct an evaluation of the project cost estimates vs. actual costs which will provide insight to financial control and cost management.

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

- Assessed the selection and management of third-party vendors for infrastructure projects (e.g., terminal expansions, runway repairs) to ensure compliance with procurement policies and best practices.
- Tested the adherence to matching fund requirements for funds used in capital, infrastructure, or operational projects.

Summary of Audit Results

Based on the procedures performed across the areas tested, no findings or instances of non-compliance were identified. RIAC demonstrated effective governance, financial oversight, and budgetary control over capital, infrastructure, and operational activities for the projects and periods selected for testing.