

The Central New York Regional Transportation Authority

**Management Report on Internal Control
Fiscal Year Ending
March 31, 2026**



May 29, 2026

Consistent with New York State Public Authorities Law §2931, the Central New York Regional Transportation Authority (CNYRTA) has established and maintains a system of internal control and ongoing management oversight designed to provide reasonable assurance that the Authority's objectives are achieved. The system of internal control is maintained in accordance with the *Standards for Internal Control in New York State Government (2016)* issued by the New York State Office of the Comptroller, and the *COSO Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The CNYRTA Internal Control Program of review consists of structured and ongoing activities designed to evaluate the design, effectiveness and efficiency of internal controls in alignment with applicable standards. The design and implementation of the program are continuously monitored by the Internal Control Officer to ensure activities remain appropriate, risk-focused and effective. Internal Control Program activities include, but are not limited to:

- *Strategic planning*
- *Risk assessments*
- *Control testing*
- *Control design and development*
- *Policy development and document control*
- *Management advisory services and special projects*

The Internal Control Manager continuously evaluates inherent and residual risks across organizational objectives to determine the scope, nature and frequency of assessments, control testing and related activities. The Internal Control Review Plan remains flexible and may be modified throughout the year in response to changes in risk, operational conditions or available resources identified through routine business activities or program reviews.

FY 2025-26 Internal Control Certification

This report serves as management's assessment of the effectiveness of the CNYRTA system of internal control, as required by New York State Public Authorities Law §2800(1)(a)(9) for the fiscal year ending March 31, 2026.

Control Environment

Based on observations, questionnaires and management interviews conducted during FY 2025-26, management concludes that the CNYRTA control environment is consistent with internal control standards related to integrity, ethical values, accountability, transparency, performance and effective Board oversight. Management continues to evaluate opportunities to enhance training and professional development, strengthen workforce competencies and support succession planning and organizational growth. The Authority also continues to assess accountability mechanisms and refine incentive and performance management programs.

Risk Assessment

In addition to risk assessments performed by management during the normal course of business, risk evaluations are conducted by the Internal Control Department as part of the ongoing Internal Control Program. These assessments consider a broad range of risks, including financial, operational, compliance, technology and fraud risks, across all organizational objectives. The Internal Control Department and management collaborate to identify risk levels which are used to determine the scope of review activities, prioritize control testing and guide effective business process design.

Control Activities

Control activities are evaluated by management through routine supervisory practices and by the Internal Control Department through control testing. Testing methodologies include, but are not limited to, inspection of records and documentation, review of transactions and reconciliations, tests of details, management interviews and planned and unannounced observations. The nature and extent of testing vary based on function and assessed risk level. No material exceptions were noted in testing performed during FY 2025-26. Policy and procedure documentation continues to mature through ongoing Internal Control Program activities, and management continues to address non-material exceptions and opportunities for increased efficiency through corrective action plans.

Information & Communication

Management continues to focus on improving the quality, accessibility and usefulness of information. Enhancements to internal communication channels remain ongoing, and management continues to evaluate technology solutions to improve data collection, analytics capabilities and employee access to information. Timely and appropriate Information is communicated to external stakeholders, including the public, regulators, vendors and community partners.

Monitoring

In addition to conducting ongoing and separate evaluations across organizational functions, the Internal Control Department serves as a resource to assist management in monitoring internal controls as part of daily operations. Management routinely identifies and discusses opportunities for internal control improvements outside of formal review cycles, demonstrating shared ownership of internal control responsibilities.

Supporting Activities – Strategic Planning

Recognizing the integral relationship between strategic planning and internal control, active management of the Strategic Plan is incorporated into the Internal Control Program. The Strategic Planning Team develops organizational strategies, establishes reliable performance measures and identifies specific, measurable initiatives. Following the launch of the updated Mission, Vision and Values in the prior fiscal year, management focused on integrating these principles into organizational culture. Throughout FY 2025-26, they were reinforced through leadership conduct, decision-making processes, performance expectations and day-to-day operations, fostering a shared understanding of organizational priorities and values. Ongoing evaluation of strategic objectives, goals and performance metrics further supports and strengthens the system of internal control.

Supporting Activities - Internal Audit

The CNYRTA is not required to maintain, and does not currently have, a separate Internal Audit function. However, select Internal Control Program review and testing activities are performed using recognized internal audit techniques. Should future legislation changes or identified organizational needs require the establishment of an Internal Audit function, the Internal Control Program will be reevaluated to avoid duplication of effort and to ensure alignment with applicable Institute of Internal Auditors (IIA) Standards.

Certification

This report certifies that the CNYRTA followed a structured process to assess and document the adequacy of its internal control structure and policies for the fiscal year ending March 31, 2026.

To the extent that exceptions were identified, management developed and implemented corrective action plans to mitigate corresponding risks. No material exceptions were identified during the fiscal year. The internal control framework components, principles and focus points reviewed were determined to be present, functioning and operating together indicating an adequate and effective system of internal control.