

Make the Mark.

Rhode Island Airport Corporation, RI | October 1, 2026

SJ Services – Contract Compliance Internal Audit



Contents

Executive Summary 2

Project Overview..... 2

Objective & Scope..... 2

Summary of Conclusions..... 3

Detailed Audit Results 6

 Summary of Findings and Recommendations..... 7

October 1, 2026

Brittany Morgan, Esq.
Senior Vice President, Legal Affairs & Human Resources
Rhode Island Airport Corporation
2000 Post Road
Warwick, RI 02886

Dear Brittany:

Plante Moran has completed a contract compliance audit of the SJ Services vendor contract at T.F. Green International Airport. This internal audit included testing the financial, operational, and reporting terms of the contract, as detailed in the following pages of this report.

We were not engaged to and did not perform a financial statement audit, the objective of which would be the expression of an opinion on the Rhode Island Airport Corporation's internal control environment. Accordingly, we do not express such an opinion. If we had performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is solely for the information and use of management and the Rhode Island Airport Corporation Board of Directors and is not intended for use by anyone other than these specified parties.

We would like to thank the management and staff of the Rhode Island Airport Corporation for their cooperation and courtesy throughout this process.

Sincerely,



Matthew Bohdan, CPA, CIA
Engagement Partner

Executive Summary



Project Overview

The Rhode Island Airport Corporation ("RIAC") engaged Plante Moran ("PM") to perform a contract compliance audit of Contract No. 35732 with SJ Services, Inc. ("SJ Services") for janitorial and facility cleaning services provided at Rhode Island T.F. Green International Airport ("PVD"), in accordance with our engagement letter, which was executed following a prior internal audit that identified concerns regarding vendor performance under the contract. The objective of the engagement is to obtain reasonable assurance about whether the vendor has complied, in all material respects, with the financial, operational, and reporting terms of its contract during the reporting period, and to issue a written report on compliance. Plante Moran was not engaged to perform an assessment of the execution or quality of the cleaning services provided by SJ Services under the contract.

Objective & Scope

Plante Moran evaluated SJ Services' compliance with the financial, operational, reporting, and record-keeping terms of its contract with the Rhode Island Airport Corporation for the period July 1, 2025, to December 31, 2025. The contract became effective on September 5, 2025; therefore, procedures covering activity before that date were performed to understand implementation timing, transition activity, and billing or documentation related to the establishment of services, while compliance conclusions were evaluated in relation to the applicable contract requirements and effective dates. The scope of work encompassed the following contract-related compliance elements for the vendor:

- Fees, reimbursements, and other charges paid under the contract, including compliance with applicable pricing and payment terms.
- Invoicing practices and the availability of supporting documentation for amounts billed to RIAC.
- Timeliness, completeness, and accuracy of required reports and other contract deliverables.
- Compliance with applicable operational requirements, service expectations, and quality assurance procedures.
- Record-keeping practices and the availability of sufficient documentation to support services performed and compliance with contract requirements.
- Compliance with applicable subcontractor, training, and other contractual requirements included within the audit scope.

Summary of Conclusions

Plante Moran performed a contract compliance audit of the agreement between RIAC and SJ Services for services provided at PVD. Below, each contract requirement was assigned a conclusion of effective, effective with a recommendation, or ineffective.

1. **Effective** indicates that the audit evidence demonstrates that the audit objective or processes tested are operating as intended and achieving the desired outcomes.
2. **Effective with Recommendation** indicates that the audit evidence demonstrates that the audit objective or processes tested are operating, but there is an opportunity to enhance the existing process.
3. **Effective – Non-Occurrence** indicates that the audit evidence demonstrates the applicable activity, charge, or contract condition did not occur during the review period; therefore, no exception was identified for the related objective.
4. **Ineffective** indicates that the audit evidence demonstrates that the audit objective or processes tested are not operating as intended and do not achieve the desired outcomes.

No.	Contract Objective	Conclusion	Findings
1	Verify monthly invoices match the Task Order 01 fixed monthly fee and cumulative billings stay within the not-to-exceed contract value.	Effective with Recommendation	PM noted payment support was not available for review; as per inquiry with the RIAC team, there was only one invoice issued during the period of July 2025 through December 2025.
2	Verify separate and distinct invoices were issued for Terminal and Interlink Facility services, with facility name and corresponding Purchase Order number indicated.	Effective	Invoices separately itemized Terminal and Interlink Facility services, and RIAC confirmed this approach complied with contract expectations.
3	Verify invoices include required supporting documentation and that reimbursements, pass-through charges, and other charges are supported, allowable, and within scope.	Effective – Non-Occurrence	RIAC confirmed that SJ Services did not request expense reimbursements, pass-through charges, or other reimbursable expenses during the review period; therefore, detailed expense receipts were not applicable.
4	Verify the one-time deep cleaning was billed at approved unit pricing and did not exceed the not-to-exceed amount.	Effective	Invoice documentation and payment records supported the approved deep-cleaning amount of \$72,339.30, with RIAC remitting 50% in accordance with the agreed payment terms.

No.	Contract Objective	Conclusion	Findings
5	Verify a facility-specific Policy and Procedure Manual was developed, completed, presented to RIAC within 30 days of contract commencement, and updated/resubmitted semi-annually.	Ineffective	The Manual was required to be completed and presented to RIAC by October 5, 2025, but RIAC confirmed it was not received by the required deadline.
6	Verify an inspection report/checklist or electronic reporting system was provided, including RIAC management review and sign-off capability.	Ineffective	SJ Services retained management inspection records internally; however, inspection reporting to RIAC was sporadic, did not consistently cover each shift or day, and no evidence of RIAC review or formal sign-off was available.
7	Verify problem resolution procedures exist and that problem resolution reports were prepared and provided to RIAC.	Ineffective	SJ Services provided a manager phone number for real-time issue reporting, but formal reports, tracking logs, or other documentation evidencing issue identification, resolution, and closure were not provided.
8	Verify the consultant defined its required cleaning processes during the audit period.	Ineffective	Standard Operating Procedures for window cleaning, carpet and hard floor care, and restroom deep-cleaning were not implemented until January 2026, after the audit period.
9	Verify the consultant established a detailed cleaning schedule outlining required cleaning activities, frequencies, and service expectations.	Effective	High-level cleaning schedules identified required activities, frequencies, and service expectations. Process-level procedures and evidence connecting staffed hours to those schedules were evaluated separately under Objectives 8 and 10.
10	Compare employee time records and work schedules against required cleaning tasks and service frequencies to determine whether staffed hours aligned with required cleaning work.	Ineffective	Documentation reviewed did not sufficiently demonstrate that staffed hours aligned with the required window cleaning and carpet and flooring activities.

No.	Contract Objective	Conclusion	Findings
11	Verify required employee training programs, including OSHA and Bloodborne Pathogens training, were conducted at the required frequency and records were maintained.	Effective	Training records evidenced employees received required OSHA and Bloodborne Pathogens training as part of onboarding, with records maintained to support participation and completion.
12	Verify no subcontractors or subconsultants were used in performance of the Task Order.	Effective – Non-Occurrence	Per inquiry with SJ Services, no subcontractors were utilized under the contract.

Detailed Audit Results



Summary of Findings and Recommendations

Priority Rating	Count
High	1
Moderate	2
Low	1
Process Improvement	1
Total	5

The following section presents the detailed observations identified through the contract compliance audit. Each observation is supported by corroborative inquiry with RIAC personnel and inspection of supporting documentation from SJ Services, and is intended to describe the identified condition, the related contract requirement, and the potential impact on RIAC's ability to monitor compliance with the agreement.

The recommendations provide practical actions to address identified noncompliance, improve documentation and monitoring, and strengthen enforcement of contract requirements. Each recommendation has been assigned a **high, moderate, or low priority** or classified as a **process-improvement opportunity**, as defined below, based on the nature of the matter identified, the potential financial or operational exposure, and the urgency of implementation.

Priority Rating	Description
High	Indicates a significant instance of noncompliance, unsupported cost, or documentation gap that may create material financial, operational, or contractual exposure and should be remediated promptly.
Moderate	Indicates a moderate instance of noncompliance, control weakness, or documentation limitation that may impact RIAC's ability to verify contract performance or enforce contract requirements and should be addressed in a timely manner.
Low	Indicates a lower-impact compliance observation or process improvement opportunity that does not appear to materially affect contract performance, billing accuracy, or RIAC's ability to monitor compliance, but should be addressed as time and resources permit.
Process Improvement	Indicates an opportunity to enhance the efficiency, consistency, or timeliness of an existing process when the matter does not constitute contractual noncompliance.

The tables below summarize each audit finding, the applicable contract requirement, and the related recommendation for management's consideration:

1	Required Inspection and Operational Communication Records Were Not Consistently Maintained	Priority:	High
Observation			
The contract requires SJ Services to maintain inspection reporting and operational communication records to support RIAC's oversight of service performance. During the July 2025 through December 2025 review period, SJ Services retained certain management inspection records internally; however, inspection reporting to RIAC was sporadic, did not consistently cover each shift or day, and no evidence of RIAC management review or formal sign-off was available. The duty-phone reporting, portable two-way radio, hazard-call response, and maintenance-reporting attributes were included in RIAC's May 13, 2026 Notice of Contract Violations. Plante Moran independently verified that the notice identified these attributes and reviewed the documentation provided in response to determine whether records were available to demonstrate implementation and operation during the review period. Based on the documentation provided, daily duty-phone reporting, portable two-way radios for key staff, documented hazard-call response, and maintenance-issue reporting were not completed or supported by records demonstrating that these controls were implemented and operating. As a result, RIAC did not have sufficient support to verify that required inspection reporting and operational communication requirements were operating effectively during the review period.			
Risk			
Without consistent inspection reporting and operational communication records, RIAC may be unable to verify that required inspections occurred, deficiencies were identified and communicated, hazard calls were addressed, maintenance issues were reported and required communication tools were used by key staff. This may reduce RIAC's ability to monitor vendor performance, confirm completion of service oversight activities, and identify recurring operational or service-quality issues timely.			
Contract Requirement			
The contract requires SJ Services to provide inspection reporting with RIAC review and sign-off capability and to maintain operational communication documentation, including daily duty-phone reporting, communication tools for key staff, hazard-call response documentation, and maintenance-issue reporting.			
Recommendation Related Contract Objective: 6			
RIAC should require SJ Services to implement a formal inspection and operational communication reporting process that provides RIAC with complete and timely inspection records, evidence of RIAC review and sign-off, and documentation supporting the operational communication attributes identified in RIAC's May 13, 2026 Notice of Contract Violations, including daily duty-phone reporting, use of required portable two-way radios, hazard-call response documentation, and maintenance-issue reporting. RIAC should define submission frequencies, review responsibilities, documentation-retention expectations, and escalation procedures for missing, incomplete, or unreviewed support.			
RIAC Management Response			
RIAC has recently improved controls on these records. RIAC will continue to strengthen and establish standardized reporting requirements, submission frequencies, RIAC review/sign-off responsibilities, record-retention requirements, and escalation procedures. Incorporate compliance into ongoing contract monitoring and enforcement.			

2	SJ Services Did Not Provide Formal Problem-Resolution Reports	Priority:	Moderate
	Observation		
	SJ Services indicated that a dedicated manager phone number was provided to RIAC at the start of the contract for real-time issue reporting and resolution through text messages. However, SJ Services did not provide formal logs, tracking records, or reports documenting problem-resolution activities during the July 2025 through December 2025 review period. As a result, PM was unable to verify how reported issues were tracked, resolved, communicated to RIAC, and formally closed.		
	Risk		
	Without formal problem-resolution documentation, RIAC may be unable to determine whether service issues were addressed completely and timely or identify recurring problems requiring further corrective action. The lack of tracking and reporting may also limit contractor accountability and RIAC's ability to verify issue resolution, monitor response performance, and support contract administration decisions.		
	Contract Requirement		
	"Include a detailed narrative of problem resolution procedures and include a sample of any problem resolution reports used by your company. Detail the ability for RIAC management to review and sign off on completed work as a quality assurance measure."		
	Recommendation Related Contract Objective: 7		
	RIAC should require SJ Services to implement a formal problem-resolution tracking process that documents each reported issue, the date received, responsible personnel, corrective action taken, resolution date, status, and evidence of closure. Problem-resolution reports should be provided to RIAC at an established frequency, reviewed by RIAC management, and retained in the contract file. Unresolved or recurring issues should be escalated through RIAC's contract administration process.		
	RIAC Management Response		
	RIAC will require a formal problem-resolution log documenting issue, date/time reported, responsible party, corrective action, resolution date/time, and closure. RIAC will periodically review the log and escalate recurring or unresolved deficiencies.		

3	Insufficient Documentation to Support Operational Staffing and Supervisory Coverage	Priority:	Moderate
Observation			
The contract requires SJ Services to maintain staffing and supervisory coverage sufficient to support required operational activities and service expectations. During the July 2025 through December 2025 review period, the documentation provided did not sufficiently evidence 24/7 supervisory presence, dedicated policing staff, required position coverage by shift, coverage of vacancies or employee absences, an organization chart aligned with actual staffing, or consistent compliance with employee schedules. In addition, employee time records and work schedules did not sufficiently demonstrate that staffed hours aligned with the required window cleaning and carpet and flooring activities. As a result, RIAC did not have sufficient support to verify that required operational staffing, supervisory coverage, and staffed-hour expectations were met during the review period. In addition, process-level standard operating procedures for window cleaning, carpet and hard floor care, and restroom deep-cleaning were not implemented until January 2026, after the review period, further limiting RIAC's ability to compare documented staffed hours with defined cleaning processes.			
Risk			
Without sufficient documentation demonstrating required staffing and supervisory coverage, RIAC may be unable to verify that SJ Services maintained the personnel, shift coverage, and supervision needed to support contracted service levels. Gaps in support for vacancy coverage, employee absences, schedule compliance, and alignment between staffed hours and required cleaning activities may limit RIAC's ability to monitor vendor performance, identify staffing shortfalls, and support contract administration decisions related to service delivery.			
Contract Requirement			
The contract requires SJ Services to maintain documentation supporting required operational activities, staffing levels, supervisory coverage, position coverage by shift, employee schedules, and performance of required cleaning routines and service frequencies.			
Recommendation Related Contract Objective: 8 and 10			
RIAC should require SJ Services to provide periodic staffing and supervisory coverage support that ties approved staffing commitments to employee schedules, time records, assigned work areas, and required cleaning routines. The support should identify personnel assigned by shift, supervisory coverage, dedicated policing staff, vacancy or absence coverage, hours worked, routines performed, and alignment between the organization chart and actual staffing. RIAC should review and retain this documentation as part of its contract monitoring process and follow up on any gaps between required service expectations and documented staffing coverage or staffed hours.			
RIAC Management Response			
RIAC has already requested documentation demonstrating staffing and supervisory coverage and periodically reconcile schedules, certified payroll, actual staffing, and required work. RIAC will separately evaluate the audit's identified unsupported hours and any additional SJ Services documentation to determine whether a contractual deficiency and financial remedy are warranted.			

4	Late Policy and Procedure Manual	Priority:	Low
Observation			
The Contract became effective on September 5, 2025, requiring SJ Services to complete and present a facility-specific Policy and Procedure Manual to RIAC within 30 days, or by October 5, 2025. Although SJ Services subsequently provided the Manual in response to PM’s documentation request, RIAC confirmed that it did not receive the Manual by the required October 5, 2025, deadline. Therefore, SJ Services did not meet the contract’s initial submission requirement.			
Risk			
If required policies and procedures are not provided to RIAC within the contractually established timeframe, RIAC may be unable to verify that cleaning procedures, service frequencies, quality expectations, and document-control requirements are appropriately established and communicated.			
Contract Requirement			
“The selected proposer will develop and maintain a Policy and Procedure Manual (Manual) specific to the RIAC facility which details all items such as fixtures, surfaces, furniture, areas, stairways, offices, and the specific procedure to be performed on each item. This will include frequencies and intensity of cleaning, i.e. daily, weekly, monthly, annually, etc. The Manual is to be completed and presented to RIAC for review within 30 days of contract commencement. The Manual will become the property of RIAC. The Manual shall be modified as changes occur and shall be updated and resubmitted to RIAC for review at least once semi-annually.”			
Recommendation Related Contract Objective: 5			
Based on inquiry with the RIAC team and review of the documentation provided, this finding was partially remediated after the audit period, as SJ Services subsequently provided the facility-specific Policy and Procedure Manual. To fully address the finding, RIAC should document its review and acceptance of the current Manual, verify that the Manual meets applicable contract requirements, and establish a process to track and retain evidence of future semi-annual submissions and reviews.			
RIAC Management Response			
RIAC will formally review and document acceptance of the current manual, require any necessary revisions, and establish tracking for required semiannual updates.			

PI-1	Process Improvement Opportunity: Timeliness of Monthly Billing	Priority:	Process Improvement
Observation			
SJ Services did not submit monthly invoices to RIAC during the period in which the related services were performed. Instead, RIAC received the applicable billing from SJ Services in December 2025. Because the contract is structured as a monthly contract, billing activity should generally occur on a timely, recurring basis in close proximity to the service period.			

Best-Practice Consideration

For monthly service contracts, invoices should be submitted shortly after the close of the related service month and should clearly identify the service period, applicable contract amount, purchase order or task order reference, and supporting documentation needed for review and approval. Timely billing supports accurate accruals, budget monitoring, vendor performance oversight, and prompt identification of billing or service exceptions.

Recommendation

RIAC should establish and communicate a defined monthly billing expectation for SJ Services, including the due date for invoice submission following each service month, required invoice details, and supporting documentation requirements. RIAC should monitor invoice timeliness as part of its contract administration process and follow up on delayed or missing invoices to ensure billing is reviewed in the appropriate period and supported before approval.

Management Response

RIAC has since establish a defined monthly invoice deadline and required supporting documentation. RIAC will continue to monitor invoice timeliness and completeness as part of ongoing contract administration.

Summary of Financial Impact

Based on the contract compliance procedures performed for SJ Services, PM evaluated whether amounts billed to RIAC were supported by available documentation, consistent with applicable contract terms, and aligned with the related scope of services. The estimated financial impact below relates to Finding 4, Insufficient Documentation to Support Operational Staffing and Supervisory Coverage, and reflects the portion of staffed hours that were not sufficiently supported by certified payroll documentation for the tested payroll weeks reviewed.

The estimated unsupported value was calculated by comparing the required staffed hours from the contract employee schedule to certified payroll Total Project Hours for T.F. Green and applying the contractual service rate of \$46.00 per hour to the unsupported staffed hours identified in the tested payroll weeks. Required staffing was based on 89 scheduled person-shifts per week, consisting of 32 first-shift, 29 second-shift, and 28 third-shift person-shifts, with each shift totaling eight hours, for 712 required staffed hours per week. Across the tested payroll weeks, the contract required 6,408 staffed hours, while certified payroll documentation supported 5,442.85 hours. Applying the weekly no-offset shortfall approach resulted in 984.2 unsupported staffed hours and an estimated unsupported value of \$45,273.20.

The estimate is based on the contractual service rate per hour rather than an implied rate derived from the fixed monthly fee. Because the contract is structured using fixed monthly fees, the estimate represents a support-based allocation for RIAC management's evaluation and not a determination that RIAC is contractually entitled to a dollar-for-dollar credit. Weekly overages were not carried forward to offset other weekly shortfalls because the analysis evaluates whether required staffing coverage was supported for each tested week as per inquiry, team members provide each other coverage as needed in cases where there is time off. The quantification is limited to post-contract-effective activity included in the October tested payroll week, November, and December payroll package reviewed. Any final financial impact is dependent on RIAC's review of the underlying contract requirements, supporting documentation, SJ Services' response, and any remedies RIAC elects to pursue under the agreement.

Related Finding / Objective	Support-Based Gap	Required Staffed Hours	Documented Staffed Hours	Unsupported Staffed Hours	Estimated Unsupported Value
Finding 4 / Objective 10 – Operational Staffing and Supervisory Coverage	Available documentation did not sufficiently demonstrate that staffed hours aligned with required window cleaning and carpet and flooring activities. The estimate compares required staffed hours from the contract employee schedule to certified payroll-supported project hours for the tested payroll weeks; weekly overages were not carried forward to offset other weekly shortfalls.	6,408.0	5,442.85	984.2	\$45,273.20

No additional financial impact was quantified for Findings 1 through 3 or the process improvement opportunity because those observations primarily relate to documentation, reporting, monitoring, and timeliness matters that were not directly converted into a monetary estimate based on the procedures performed.

Thank you.



Matthew Bohdan, CPA, CIA

Engagement Partner

248.223.3619 | matthew.bohdan@plantemoran.com