

Date: 2/13/2025
To: UTA Audit Committee
From: Mike Hurst, Director Internal Audit
Subject: Background Information for the 2025 Internal Audit Plan

Introduction

The following Audit Plan was drafted with input from senior management, assessment of risks and fraud risk, and by the results of past assurance activities. Each project lists key background information, how the project supports the Strategic Priorities from the Utah Transit Authority (“UTA”) 2030 Strategic Plan. Those strategic priorities are 1) Moving Utahns to a Better Quality of Life 2) Exceeding Customer Expectations 3) Achieving Organizational Excellence 4) Building Community Support 5) Generating Critical Economic Return. All five Strategic Objectives are covered by at least one project on the Audit Plan.

The Audit Plan also documents how projects help to address the top perceived risks as documented by the UTA Enterprise Strategy Office. Those risks are 1) Technology 2) Strategy/Planning 3) Regulatory Compliance 4) Infrastructure 5) Operational 6) Financial 7) Informational Security 8) Reputational. All risks are covered by at least one project except for Information Security and Strategy/Planning.

Internal Audit lacks the in-house expertise to perform advanced audits related to Information Security and lacks the financial resources to outsource Information Security audits without specific request through the budget process. Internal Audit has partnered with the Information Technology department to provide assurance over Information Security. Internal Audit will contact Information Technology at the start of each audit, and they will consider the Information Security environment applicable to the audit and provide any technical assistance needed to audit the Information Security components.

Internal Audit considered projects that would cover Strategy/Planning, but none made the final Audit Plan. Both Strategy and Planning were significant topics in a recent audit completed by the State of Utah Legislative Auditors. There is not presently significant assurance gap from Internal Audit not including any projects in these areas.

Internal Audit Projects

1. 25-01 Environmental Governance

Background: UTA is subject to government regulations around environmental concerns, such as properly storing fuel and managing fuel spills. The Capital Services office manages UTA’s environmental compliance. This audit will evaluate the governance aspects of the UTA environmental compliance management. Governance topics include evaluating aspects of the department such as resource levels, establishment of governance through policy, and execution of governance through procedure and training.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Quality of Life; Organizational Excellence; Economic Return

Related Risks: Regulatory/Compliance; Reputational, Operational

2. 25-02 Vanpool Operations

Background: Vanpool refers to a UTA public group commuting program. This audit will evaluate the governance of the department that runs the program, how maintenance of vehicles is handled, compliance with applicable safety practices, and compliance with applicable civil rights related topics.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Quality of Life; Customer Experience; Community Support; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational; Regulatory/Compliance

3. 25-03 Purchase Card Program

Background: UTA has purchase cards (credit cards) to help employees efficiently make micro purchases that do not require formal bids or other procurement methods to be applied. This audit will evaluate the governance of the department that runs the purchase card program, evaluate cardholder compliance with program policies and procedures, and analyze transaction data for indicators of fraud, waste, or abuse.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Organizational Excellence; Economic Return

Related Enterprise Risks: Financial

4. 25-04 Video Security

Background: UTA has video security cameras installed in facilities and on certain vehicles as a tool for safety and security. This audit will evaluate the governance of the department that runs the video security program and will evaluate the effectiveness of the program. Guidance published by the American Public Transportation Association (“APTA”) will be used as audit criteria for evaluating effectiveness of the program.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Community Support; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational, Regulatory/Compliance; Infrastructure; Reputational; Technology

5. 25-05 Special Services Operations

Background: Special Services is the business unit that oversees the operation and maintenance of the UTA transportation modes designed for people whose functional abilities required individualized transportation service, as Paratransit, flex route in the fixed route bus system, and vanpool. This audit will focus (but not be excluded to) paratransit and flex route modes. We will evaluate the governance of the business unit that runs the program, how maintenance of vehicles is handled, how trip scheduling is performed, how dispatching is performed, compliance with applicable safety practices, and compliance with applicable civil rights related topics.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Quality of Life; Customer Experience; Community Support; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational; Regulatory/Compliance

6. 25-06 Drug and Alcohol Compliance

Background: UTA is subject to government regulations regarding employee's use of drugs and alcohol. The UTA People Office manages compliance with these requirements. The specific topics of the audit will be developed in consultation with Bailey White Solutions LLC, a firm contracted by UTA to provide Federal Grant Compliance Management Services. This audit was requested by a member of senior management with nexus to our drug and alcohol compliance requirements.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational

7. 25-07 Buy America Compliance

Background: UTA is subject to regulations that require the use of American-made products in federally funded transportation projects. The specific topics of the audit will be developed in consultation with Bailey White Solutions LLC, a firm contracted by UTA to provide Federal Grant Compliance Management Services. This audit was requested by a member of senior management with nexus to our Buy America compliance requirements.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Economic Return

Related Enterprise Risks: Regulatory/Compliance; Financial

8. 25-08 Light Rail Safety

Background: UTA annually completes safety audit based on checklists produced by the Federal Transit Administration. This safety audit is focused on the Light Rail mode. The audit report for this project will go through the UTA Safety department, not through the UTA Audit Committee.

Related Strategic Priorities from the 2025 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational; Operational, Infrastructure

9. 25-09 Commuter Rail Safety

Background: UTA annually completes safety audit based on checklists produced by the Federal Transit Administration. This safety audit is focused on the Commuter Rail mode. The audit report for this project will go through the UTA Safety department, not through the UTA Audit Committee.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational; Operational; Infrastructure

10. 25-10 Mount Ogden Bus Maintenance

Background: Mount Ogden is a business unit that operates fixed bus routes in Davis and Weber counties. This audit will be focused on the maintenance performance of this business unit.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational

11. 25-11 Assurance Map

Background: An assurance map is a document that visually depicts an organization's risks and all the assurance (audit) activities that cover those risks. As of January 2025, the audit standards that UTA Internal Audit follows requires an Assurance Map. Internal Audit will develop an Assurance Map and maintain it moving forward.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance

Outsourced Projects

12. 25-12 Bus Safety Audit

Background: UTA management requested that bus safety audit be added to accompany the Light Rail and Commuter Rail safety audits. For the first year of an annual audit, Internal Audit and management decided to outsource the audit to APTA. APTA offers a standard audit program and includes topics requested by management. The cost of the audit will be covered by the Internal Audit budget.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational; Operational, Infrastructure

13. 25-13 Construction Audit

Background: A third-party will be contracted to perform an audit over a UTA construction project. The audit is focused on contractor cost compliance against the related contract, not UTA internally. The cost of the audit will be covered by the Internal Audit budget.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Economic Return

Related Enterprise Risks: Infrastructure; Financial; Regulatory/Compliance