



INTERNAL AUDIT

Open Audit Recommendation Report

September 10, 2025

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Rating Matrix

Descriptor	Guide
High	Matters considered being fundamental to the maintenance of internal control or good corporate governance.
Medium	Matters considered being important to the maintenance of internal control or good corporate governance.
Low	Matters considered being of minor importance to the maintenance of internal control or good corporate governance or that represents an opportunity for improving the efficiency of existing processes.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Chief Board Strategy and Governance		*	*
Executive Director		*	*
Chief of Staff Executive Director		*	*
Chief Enterprise Strategy Officer		*	*
Enterprise Risk Management Administrator	*	*	*

¹For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit action plan.

Executive Summary

Background

The Utah Transit Authority (“UTA”) Audit Committee directs Internal Audit (IA) to perform audit engagements over the controls, processes, and systems of UTA. IA publishes recommendations to address deficiencies or improve performance of the audited area. The Enterprise Risk Management department (ERM) works with management once a recommendation is issued to create action plans or to document disagreement with the recommendations. ERM monitors action plan progress, facilitates changes to the action plan, and alerts IA when action plans are ready to be audited, referred to as “follow-up”.

Objectives and Scope

IA produces an updated edition of this report for each Audit Committee meeting to inform that body of the status of open recommendations (Appendix A and Appendix B) and to document recommendations that have been closed (Appendix C) since the last edition of the report. IA published this edition for the September 22, 2025 Audit Committee to document follow-up activities since the Audit Committee meeting that was held on June 16, 2025.

Executive Summary

One issue, R-22-06-4, was closed. This issue was related to improving controls around nonrevenue fleet vehicle’s key security and custody. IA evaluated controls implemented by management and found that they are sufficiently designed to ensure proper safeguarding and custody of vehicles.

ERM and IA have identified and are removing a bottleneck in the process at the point where management is asked to provide evidence of remediation. To address this, ERM and Internal Audit have established a new requirement that management must provide evidence of remediation before submitting an issue to Internal Audit for review.

To support this requirement, a new status “Management Gathering Evidence” has been created to indicate when management has completed corrective action and is in the process of gathering evidence of remediation to support closure.

During August, management submitted one issue for closure. Management also completed corrective action for three issues related to Non-revenue Vehicles, and these are noted in the new “Management Gathering Evidence” category. In addition, ERM has assumed the primary role in gathering evidence from management for issues submitted for closure in May prior to implementation of the new evidence requirement.

Appendix A: Overview Status of Open Issues

Engagement Name	Issue Name	Current Status	Risk Level	Due Date
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-01 Project Requests	Submitted to IA for Review	Medium	05/16/2025
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-03 Project Management Policy	Open Issues	High	12/31/2025
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-04 Budget Monitoring	Open Issues	Medium	12/31/2025
21-02 Preliminary Assessment: Utilities Management	R-21-02-04 Standard Operating Procedures	Open Issues	Medium	12/31/2025
21-03 Preliminary Assessment of Maintenance of Way Systems	R-21-01 Training Development Resources	Gathering Evidence	High	05/16/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-03 External Announcements	Open Issues	Medium	12/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-04 Securement Training	Open Issues	Medium	12/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-05 Standard Operating Procedures Updates	Open Issues	Medium	12/31/2025
21-06 Preliminary Assessment of Fuel Costs	R-21-06-06 Pre- and Post-Fueling Checklists	Open Issues	Medium	12/31/2025
21-06 Preliminary Assessment of Fuel Costs	R-21-06-08 Fuel Access	Open Issues	High	12/31/2025
22-02 Preliminary Assessment of Light Rail Operations	R-22-03 Standard Operating Procedure Updates LR	Open Issues	Low	To be determined
22-06 Performance Audit of Support Fleet	R-22-06-1 Support Fleet Governance and Resources	Open Issues	High	To be determined
22-06 Performance Audit of Support Fleet	R-22-06-2 Support Fleet Policies and Procedures	Open Issues	Medium	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-3 Opportunities to Right-Size the Support Fleet	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-5 Vehicle Use Thresholds	Gathering Evidence	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-6 Access to Purchase Card System	Gathering Evidence	Medium	12/31/2025
23-02 Preliminary Assessment of the Vehicle Disposal Process	R-23-02-1 Board Approval Over \$200k	Open Issues	Medium	12/31/2025
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-1 Required 1099 Forms were not issued	Open Issues	Medium	12/31/2025
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-2 Claims vendors, physicians and attorneys were not sent a 1099	Open Issues	Medium	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-1 Safety and Security Procedures	Open Issues	Low	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-2 TCC Staffing	Open Issues	Medium	12/31/2025
23-05 Limited Scope Assessment of the Vendor Master File	R-23-05-01 Vendor Master File Process Issue	Open Issues	Medium	12/31/2025
23-11 Recruitment Assessment	R-23-11-A Human Resources Information System	Gathering Evidence	High	12/31/2025
23-11 Recruitment Assessment	R-23-11-B Standard Operating Procedures Recruitment	Open Issues	High	To be determined
23-11 Recruitment Assessment	R-23-11-C Key Performance Indicators	Gathering Evidence	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-D Talent Acquisition Team Structure	Gathering Evidence	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-E Leadership Strategy Sessions	Gathering Evidence	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-F Jobvite Validation Rules	Gathering Evidence	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-G Process Expectations	Gathering Evidence	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-H Talent Acquisition Team Communication	Gathering Evidence	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-I Immediate Process Improvements	Gathering Evidence	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-J Recruiter Training	Gathering Evidence	Medium	07/31/2025
24-01 Procurement Process Performance Audit	R-24-01-01 Disclosures to UTA Ethics Officer	Submitted to IA for Review	Medium	07/31/2025
24-01 Procurement Process Performance Audit	R-24-01-02 Procurement Department is Under-resourced	Open Issues	High	12/31/2025
24-06 Preliminary Assessment of Payroll Process	R-24-06-01 Vacation Sell-back exceeded policy	Open Issues	Low	12/31/2025
25-10 Mount Ogden Bus Maintenance Audit	R-25-10-01 Standard Operating Procedures Need Reviewed	Open Issues	Low	06/16/2026
25-10 Mount Ogden Bus Maintenance Audit	R-25-10-02 Job Description Documents Need Reviewed	Open Issues	Low	06/16/2026

Appendix B: Detail Status of Open Issues

Note: This document standardized formatting and corrected clerical errors from original reports.

A. 20-07 Preliminary Assessment of the Capital Projects Process

Recommendation R-20-07-01 A Project Requests

Risk Level: Medium

Audit Committee Report Date: April 19, 2021

Current Status: Submitted for Closure

Recommendation:

- IA recommends that Capital Development require detailed budget estimates with project requests. Budget estimates should include evidence of a secondary review, such as an independent cost estimate or a reasonableness review performed by the requesting department management.
- IA recommends that Capital Development require basic project timetables when submitting project requests.

Current Status from Internal Audit:

Management provided remediation evidence on August 27, 2025. IA reviewed what was provided and asked clarifying questions. It was not resolved before the report was finalized.

Current Management Status Update:

Evidence of remediation was uploaded by ERM on Aug. 27, 2025, per the new processes outlined in the executive summary.

Issue Owner:

Director of Capital Program and Support

Current Due Date:

5/16/2025

Recommendation R-20-07-03 Project Management Policy

Risk Level: High

Audit Committee Report Date: April 19, 2021

Current Status: Paused

Recommendation:

- IA recommends that agency standard operating procedures be developed to establish practices of project management applicable to all departments. Guidance should be based on an existing standard, such as the Project Management Book of Knowledge or FTA project requirements, and should cover topics including, but not limited to, developing project budgets, tracking, reporting project costs and project progress, contractor oversight, and quality assurance.

Current Status from Internal Audit:

Management changed the action plan to address this recommendation. Remediation efforts are ongoing.

Current Management Status Update:

Capital Services will work with UTA contractor Fabian Vancott to create a new Standard Operating Procedure for Project Management. In the meantime, Capital Services is doing preliminary work to prepare for when Fabian engages with them on this SOP.

Issue Owner:

Director of Capital Program and Support

Current Due Date:

12/31/2025

Recommendation R-20-07-04 Budget Monitoring

Risk Level: Medium

Audit Committee Report Date: April 19, 2021

Current Status: Escalated

Recommendation:

- IA recommends that entity level oversight be established with the following practices:
 - Require project managers to submit regularly scheduled and standardized project financial reports, including expenditure tracking, comparison to budget, and an up-to-date schedule of anticipated cash flow.
 - Regular monitoring of budget to actual expenditures should be conducted by Executive leadership with follow up on variances conducted.

Current Status from Internal Audit:

No update.

Current Management Status Update:

This issue has been escalated to the Chief Capital Services Officer for support in establishing authoritative follow-up and project manager accountability for project budget/schedule/status variances identified by Capital Services. It is currently under his review. Remediation work that has so far been completed by management includes: 1) every four months, “Quad Reports” documenting project status, risks and opportunities, budget and schedule go to project managers; and 2) monthly Project Status Reports are sent to chiefs.

Issue Owner:

Director of Capital Program and Support

Current Due Date:

12/31/2025

B. 21-03 Preliminary Assessment of Maintenance of Way Systems

Recommendation R-21-01 Training Development Resources

Risk Level: High

Audit Committee Report Date: June 21, 2021

Current Status: Gathering Evidence

Recommendation:

- Develop a project plan to include realistic timelines and necessary resources to implement the program timely.
- Identify “off the shelf” training materials and videos that can be purchased to reduce the development time.
- Incorporate as part of the program training classes that may be already developed and available through other sources such as other transit agencies, system manufacturers, and commercial rail carriers.
- Budget for and add sufficient resources to develop the apprenticeship program.

Current Status from Internal Audit:

Management has a cohort for this program starting in early 2026. They have not developed all the curriculum but indicated that they can do it on a rolling basis as the cohort progresses. Management is checking with Bailey White to see if this rollout will sufficiently meet federal requirements.

Current Management Status Update:

Management has provided evidence that the MOW Apprenticeship Program was implemented in Q1 2025 with four of seven planned courses complete and available in the LMS. The additional planned MOW courses are under development at a pace to be launched when employees in the MOW Apprenticeship Program complete the currently available courses. Management and IA are in conversations to clarify the federal requirements applicable to the MOW Apprenticeship Program.

Issue Owner:

Director Workforce Tech Training

Current Due Date:

5/16/2025

C. 21-02 Preliminary Assessment: Utilities Management

Recommendation R-21-02-04 Standard Operating Procedures

Risk Level: Medium

Audit Committee Report Date: October 17, 2022

Current Status: Paused

Recommendation:

- Drafted SOPs should be finalized and adopted.
- The FUPA should coordinate with the Accounting department to properly align the new SOP with existing policies and procedures.
- The process of verifying and organizing accounts and reviewing rate schedules should be codified in the final draft.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Facilities has completed a first draft of a new Utilities Management SOP. They will work with Board contractor Fabian Vancott to complete the Utilities Management SOP when Fabian is ready to engage with them.

Issue Owner:

Facilities Utilities Project Administrator

Current Due Date:

12/31/2025

D. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-03 External Announcements

Risk Level: Medium

Audit Committee Report Date: August 23, 2021

Current Status: Escalated

Recommendation:

- Fully automated and high audio quality external speakers should be installed on buses.
 - As a preliminary step to implementation, Management should research options, feasibility, and cost.
- Audio quality of existing speakers should be regularly inspected and adjusted as necessary.
- An interim alternative would be to require the use of outside speakers at least on the routes that are most likely to need them.

Current Status from Internal Audit:

No update.

Current Management Status Update:

This issue has been escalated to the Chief Operations Officer for decisioning on the viability of the unfunded second phase of the Management Response, which calls for the MDD system to be updated to automatically make external service announcements. According to IT, this enhancement to MDD functionality cannot be addressed for two years.

Timpanogos has completed the first phase replacement of external speakers, but progress has been slowed for other service units due to lack of bandwidth and kit availability. Central has completed 31 of 107. Ogden has completed 10 of 118. Meadowbrook has completed 27 of 165 units.

Issue Owner:

Manager Service Delivery – Timpanogos

Current Due Date:

12/31/2025

Recommendation R-21-04 Securement Training

Risk Level: Medium

Audit Committee Report Date: August 23, 2021

Current Status: Open

Recommendation:

- Require refresher training on the requirement to secure passengers. The refresher training can be incorporated as part of annual sensitivity training. Retrain specific operators following securement complaints or accidents as appropriate to the nature of the complaint or accident.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Civil Rights targets a Q3 2025 completion of a video resource that is inclusive of all types of mobility device securements. Final filming is in progress. The Technical Training team has been engaged to integrate the video resource into the appropriate trainings once the video is complete.

Issue Owner:

Civil Rights Compliance Officer - ADA

Current Due Date:

12/31/2025

Recommendation R-21-05 Standard Operating Procedure Updates

Risk Level: Low

Audit Committee Report Date: August 23, 2021

Current Status: Escalated

Recommendation:

BO 1.09, "Serving Customers with Disabilities" should be updated with the following changes:

- Align definition of service animals with UTA policy 6.1.1.
- Align Personal Care Attendant language with recent fare policy changes.
- Include a section discussing appropriate language when talking to/about people with disabilities.
- Expand the description of situations where service might be denied to include instances where customers are denied priority seating. These instances should be reported to TCC.
- The SOP should require that TCC provide monthly reports to the ADA Compliance Officer of call-ins related to service denials.
- SOP ownership should be collaborative with the ADA Compliance Officer.

Current Status from Internal Audit:

No update.

Current Management Status Update:

This issue has been escalated to the Chief Operations Officer for reassignment of the ownership of this issue to address the question of whether the BO 1.09 "Serving Customers with Disabilities" SOP should be changed to align with the Fares Policy or if the Fares Policy should instead be changed to align with the SOP. Operations and Customer Experience leaders assert that the Fares Policy for personal care attendant verification inhibits customer service and creates a barrier for people with disabilities. Fares leaders assert that without requiring verification of the need for a personal care attendant, customers take unfair advantage of the free fare allowed for personal care attendants.

Issue Owner:

Manager of Service Delivery – Mount Ogden

Current Due Date:

12/31/2025

E. 21-06 Preliminary Assessment of Fuel Costs

Recommendation R-21-06-06 Pre- and Post-Fueling Checklists*

Risk Level: Medium

Audit Committee Report Date: November 15, 2021

Current Status: Escalated

**Original recommendation did not have a title*

Recommendation:

- Management should complete the drafted corrective action plan. [Management had previously identified the issue and created a corrective action plan].

Current Status from Internal Audit:

No update.

Current Management Status Update:

This issue has been escalated to the Chief Operations Officer for decisioning on whether issue ownership should change from the Environmental Compliance to an Operations leader. In the meantime, management has drafted an SOP that is currently under review by directors responsible for Parts Rooms. Several of the directors indicated that their parts clerks do not have access to fuel island cameras and instructions have been given to directors to request access. The Data Governance team is being consulted about providing a dashboard that coordinates Fuelwrap data with Pre- and Post-Fueling Checklists stored in Laserfiche to identify gaps in checklist completion.

Issue Owner:

Environmental Compliance Administrator

Current Due Date:

12/31/2025

Recommendation R-21-06-08 Fuel Access*

Risk Level: High

Audit Committee Report Date: November 15, 2021

Current Status: Escalated

**Original recommendation did not have a title*

Recommendation:

- Existing badge data should be cleaned and standardized. This cleanup could include:
- Ensure that names match human resource records.
- Ensure an employee's department matches human resource records.
- Deactivate unneeded duplicate entries.
- a. Deactivate "dummy accounts."

Current Status from Internal Audit:

No update.

Current Management Status Update:

This issue has been escalated to the Chief Operations Officer for decisioning on whether issue ownership should change to Operations so they can implement a process for periodically checking fuel access. IT has already implemented an automated process that runs lists of terminated employees in a database and provides alerts so their access can be terminated.

Issue Owner:

Enterprise Applications Manager

Current Due Date:

12/31/2025

F. 22-02 Preliminary Assessment of Light Rail Operations

Recommendation R-22-03 Standard Operating Procedure Updates

Risk Level: Low

Audit Committee Report Date: October 17, 2022

Current Status: Open

Recommendation:

- Light Rail management should finalize the review and re-issuing of all SOPs.
- Light Rail management should remove references of SOPs from the TRAX Rule Book if they are to be unavailable, outdated, or irrelevant.
- Light Rail management should consider creating SOPs to formally support safety guidelines (as provided during training) for requesting supervisor or police officer field response.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Operations established a new template for SOPs in May/June. They have completed 18% of scheduled SOP updates and have reconciled the current SOPs mentioned in the 2022 TRAX Rulebook with the SOPs in the directory. Some SOPs are currently in draft form as management completes updates and locates signed copies.

Issue Owner:

Manager Light Rail Operations

Current Due Date:

TBD, based on COO direction

G. 22-06 Performance Audit of Support Fleet

Recommendation R-22-06-1 Support Fleet Governance and Resources

Risk Level: High

Audit Committee Report Date: June 27, 2022

Current Status: Paused

Recommendation:

- Provide the Support Fleet Management with additional resources subject to budgetary constraints and additional needs analysis of the department.
- Develop and implement new policies and procedures that grant authority to the FVA to oversee, provide training, and enforce matters related to UTA's support fleet.

Current Status from Internal Audit:

No update.

Current Management Status Update:

This issue is paused, the update of the NRV Policy, which is anticipated by the end of December. Four NRV SOPs have been published.

Issue Owner:

Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:

TBD, based on Board Policy-approval timeline

Recommendation R-22-06-2 Support Fleet Policies and Procedures**Risk Level: Medium****Audit Committee Report Date: June 27, 2022****Current Status: Open****Recommendation:**

- We recommend Support Fleet Management develop new policies and procedures to define requirements and necessary steps for each of its key areas of responsibility.
- We recommend Support Fleet Management develop training on the policies and procedures and provide this training to employees responsible for or users of fleet vehicles at least annually.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Completion and launch of LMS training to guide NRV users on proper protocols is targeted for the end of 2025. Currently, NRV SharePoint page content is robust (SOPs, checklists, FAQ, etc.) and includes a new Fleet Management Plan.

Issue Owner:

Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:

12/31/2025

Recommendation R-22-06-3 Opportunities to Right-Size the Support Fleet**Risk Level: High****Audit Committee Report Date: June 27, 2022****Current Status: Open****Recommendation:**

- We recommend Support Fleet Management use the new geotrackers to pinpoint precisely which vehicles are being underutilized and work to either reassign vehicles where they will be more useful or dispose of them to recapture some residual value.
- We recommend the vehicle purchasing strategy be overhauled to ensure that proper steps are taken to determine if another vehicle within support fleet would be sufficient to meet the needs of the requesting department prior to purchasing a new vehicle.
- We recommend Support Fleet Management require all employees responsible for a support fleet vehicle, especially underutilized ones, to provide written justification for the business need of their vehicles. Based on the justifications, support fleet should make decisions as to which vehicles may be reassigned or slated for disposal.
- We recommend Support Fleet Management review the use of floating fleet vehicles available to be checked out by employees to determine if any could be repurposed or disposed.
- We recommend UTA management review its disposal and auction process to determine if there are ways to streamline sales once vehicles to be disposed of have been identified.
- We recommend UTA's accounting and finance teams determine if there is a more effective way to manage the budget strategy for support fleet vehicles, for instance, using an internal service fund to charge departments for the use of vehicles.

Current Status from Internal Audit:

No update.

Current Management Status Update:

The NRV team is working on capturing and entering NRV utilization data into a form to identify underutilized cars for removal or reassignment. The form will be sent to responsible employees for written justification.

Issue Owner:

Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:

12/31/2025

Recommendation R-22-06-5 Vehicle Use Thresholds*

Risk Level: High

Audit Committee Report Date: December 16, 2024

Current Status: Gathering Evidence

**Original title was: Management should create clear use thresholds to govern vehicle use*

Recommendation:

- Management should establish thresholds to evaluate vehicle utilization.
 - The thresholds should be objective.
 - The thresholds should be measurable.
 - Expected outcomes should be clearly defined and associated to thresholds.
- Management should develop an accompanying policy to address vehicle user's appeals and unusual circumstances that may make deviations from expected outcomes appropriate.

Current Status from Internal Audit:

No update.

Current Management Status Update:

NRV utilization thresholds have been established and are formalized in a Fleet Management Plan (comparable to Bus Maintenance plans) that is posted on SharePoint. Corrective action is complete and management is gathering evidence to submit for closure.

Issue Owner:

Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:

12/31/2025

Recommendation R-22-06-6 Access to Purchase Card System*

Risk Level: Medium

Audit Committee Report Date: December 16, 2024

Current Status: Gathering Evidence

**Original title was: Management should grant read-only access to the US Bank Purchase Card System.*

Recommendation:

- Procurement Management should grant read-only access to US Bank the NRV team to run detailed reports and download receipts.

Current Status from Internal Audit:

No update.

Current Management Status Update:

The NRV team has obtained access to the US Bank purchase-card system and is running monthly reports and reviewing the data to identify who is not submitting invoices to enable follow-up. Corrective action is complete and management is gathering evidence to submit for closure.

Issue Owner:

Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:

12/31/2025

H. 23-02 Preliminary Assessment of the Vehicle Disposal Process

Recommendation R-23-02-1 Board Approval Over \$200k

Risk Level: Medium

Audit Committee Report Date: December 18, 2023

Current Status: Escalated

Recommendation:

- Capital Assets group should seek approval from the Board for the sale of any vehicles which combined might exceed \$200,000.
 - Alternatively, Capital Assets could provide an annual, or other periodic (such as quarterly), update to the Board regarding planned vehicle sales.
- Capital Assets should incorporate this Board approval process into SOPs.

Current Status from Internal Audit:

No update.

Current Management Status Update:

This issue is being escalated to the Chief Financial Officer for decisioning around shifting ownership of this issue to the Capital Asset group which was moved to Finance at the beginning of 2024.

Issue Owner:

Director of Capital Program and Support

Current Due Date:

12/31/2025

I. 23-03 Preliminary Assessment of 1099 Reporting

Recommendation R-23-03-1 Required 1099 Forms were not issued

Risk Level: Medium

Audit Committee Report Date: June 24, 2024

Current Status: Open

Recommendation:

- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.

- Additional research should be conducted by the accounting team to identify if other vendors who received payments from UTA should have had a 1099 sent to them.
- Best practices suggest that a business should request an updated W-9 Form every year from contractors.

Current Status from Internal Audit:

IA staff is currently completing testing of 2024 1099 compliance. The work will go through IA review processes and results will be shared with management. The results and management's response will be shared in the December edition of this report.

Current Management Status Update:

Accounting is verifying that the SOP includes W-9 language for vendors, medical practitioners and attorneys. They are performing a check on vendor, medical practitioners and attorney 1099s.

Issue Owner:

Chief Financial Officer

Current Due Date:

12/31/2025

Recommendation R-23-03-2 Claim vendors, physicians and attorneys were not sent a 1099 Risk Level: *

Audit Committee Report Date: June 24, 2024

Current Status: Open

**Risk level was missed in the original report. It is a medium risk.*

Recommendation:

- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.
- Accounts Payable should require a completed W-9 before issuing any future claims payments.
- Accounts Payable staff should receive training on Form 1099 reporting procedures.
- Accounts Payable or the Accounting Supervisor should maintain an IRS e-news subscription to receive future updates to the Form 1099 reporting process. <https://www.irs.gov/newsroom/e-news-subscriptions>

Current Status from Internal Audit:

IA staff is currently completing testing of 2024 1099 compliance. The work will go through IA review processes and results will be shared with management. The results and management's response will be shared in the December edition of this report.

Current Management Status Update:

Accounting is verifying that the SOP includes W-9 language for vendors, medical practitioners and attorneys. They are performing a check of compliance on vendor, medical practitioners and attorney 1099s.

Issue Owner:

Chief Financial Officer

Current Due Date:

12/31/2025

J. 23-05 Limited Scope Assessment of the Vendor Master File

Recommendation R-23-05-01 Vendor Master File Process Issue

Risk Level: Medium

Audit Committee Report Date: October 16, 2023

Current Status: Open

Recommendation:

- A formal process should be developed to validate new vendors.
- Roles and responsibilities between the AP team and Accountants should be clearly defined and documented.
- An IRS TIN match should be performed for new vendors additions.
- Existing data errors should be investigated and resolved.

Current Status from Internal Audit:

IA emailed the Accounts Payable Supervisor on June 17, 2025, with new concerns related to issue but received no response. The details of the concerns would pose a security risk, so they will not be detailed in this report.

Current Management Status Update:

Accounting is verifying that the process is documented for improving records and that errors/inconsistencies have been corrected. The data for vendors that are currently being paid has been updated. Unused vendors are taking longer to update. If UTA goes two years without using a vendor, the vendor goes inactive and is not updated until UTA uses them again.

Issue Owner:

Accounting Supervisor

Current Due Date:

12/31/2025

K. 23-04 Preliminary Assessment Transit Communication Center

Recommendation R-23-04-1 Safety and Security Procedures

Risk Level: Low

Audit Committee Report Date: March 11, 2024

Current Status: Open

Recommendation:

- *This recommendation involves a sensitive security matter. Details will not be published until the risk is resolved.*

Current Status from Internal Audit:

Management contacted IA about this issue in August 2025. They did not submit for it to be closed, but it is clear that some attention is going to the issue.

Current Management Status Update:

The Director of Safety and Security is now directly engaged with issue remediation due to a change in the Manager of Security role. Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:
Manager of Security

Current Due Date:
12/31/2025

Recommendation R-23-04-2 TCC Staffing

Risk Level: Medium

Audit Committee Report Date: March 11, 2024

Current Status: Escalated

Recommendation:

- IA recommends that TCC management evaluate current headcount levels for sufficient coverage.
 - According to the cited APCO standards four additional headcount would be needed to fill TCC's coverage need for dispatchers.
 - Based on the overtime statistics provided, four FTE may not be necessary. Management should independently determine TCC needs.

Current Status from Internal Audit:
No update.

Current Management Status Update:
This issue has been escalated to the Chief Operations Officer for decisioning around additional headcount.

Issue Owner:
Manager Transit Communications Center

Current Due Date:
12/31/2025

L. 23-11 Recruitment Assessment

Recommendation R-23-11-A Human Resources Information System

Risk Level: High

Audit Committee Report Date: June 26, 2023

Current Status: Gathering Evidence

Recommendation:

- Proceed with the new HRIS and ensure thoughtful consideration of design and implementation.

Current Status from Internal Audit:
No update. A significant milestone is expected to be reached in September 2025 and then IA will push for the information to close the issues from this report.

Current Management Status Update:
Workday is scheduled to go live for UTA users on Dec. 15, 2025. Talent Acquisition workflows are being mapped into the new system to eliminate redundancies and include upgrades to best practices.

Issue Owner:
Director Talent Acquisition

Current Due Date:

12/31/2025

Recommendation R-23-11-B Standard Operating Procedures**Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Open****Recommendation:**

- Update standard operating procedures and include SLAs.

Current Status from Internal Audit:

No update. A significant milestone is expected to be reached in September 2025 and then IA will push for the information to close the issues from this report.

Current Management Status Update:

Corrective action is paused, pending completion of an outside consulting analysis of UTA policies and procedures. SOPs are drafted but not adopted.

Issue Owner:

Director Talent Acquisition

Current Due Date:

TBD, pending results of policy/SOP consulting analysis

Recommendation R-23-11-C Key Performance Indicators**Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Develop and track KPIs to enable data-driven decision making.

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. KPIs for the UTA Talent Acquisition team are defined and are posted on the visual board for discussion during regular huddles.

Issue Owner:

Director Talent Acquisition

Current Due Date:

7/31/2025

Recommendation R-23-11-D Talent Acquisition Team Structure**Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Proceed with new Talent Acquisition team structure and increase headcount to support with data entry.

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. An onboarding specialist and a data entry specialist were hired in 2024 to support increased data quality.

Issue Owner:

Director Talent Acquisition

Current Due Date:

7/31/2025

Recommendation R-23-11-E Leadership Strategy Sessions**Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Conduct Leadership Strategy Sessions to align on priorities for the Talent Acquisition team.

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. Annual team meetings take place each December to calibrate the team's focus for the next year.

Issue Owner:

Director Talent Acquisition

Current Due Date:

7/31/2025

Recommendation R-23-11-F Jobvite Validation Rules**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Investigate data validation rules and optimize features in Jobvite.

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition built an automated data transfer between Jobvite and JDE, which has resulted in efficiencies including fewer keystrokes.

Issue Owner:

Director Talent Acquisition

Current Due Date:

7/31/2025

Recommendation R-23-11-G Process Expectations**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Communicate expectations with Hiring Managers and other teams on processes and SLAs.

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. In collaboration with senior stakeholders from all areas of UTA, a Talent Acquisition Service Level Agreement was established.

Issue Owner:

Director Talent Acquisition

Current Due Date:

7/31/2025

Recommendation R-23-11-H Talent Acquisition Team Communication**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Build structure into Talent Acquisition team communication cadence.

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. Monthly meetings with senior Talent Acquisition team members are conducted to ensure the team stays focused on strategies and daily work.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-I Immediate Process Improvements

Risk Level: Medium

Audit Committee Report Date: June 26, 2023

Current Status: Gathering Evidence

Recommendation:

- Adopt immediate, tactical process improvements to the hiring process to generate 'quick wins'

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition weekly visual board meetings (huddles) include idea generation and implementation to generate quick wins. Meetings also support increased transparency in TA project/process updates and successes.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-J Recruiter Training

Risk Level: Medium

Audit Committee Report Date: June 26, 2023

Current Status: Gathering Evidence

Recommendation:

- Provide standardized onboarding and ongoing development training to Recruiters

Current Status from Internal Audit:

IA requested information but has not received it. We will contact ERM for evidence.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition partnered with CI to map out the complete hiring process for Bargaining and Administrative employees. Training manuals were created to allow for better onboarding of new Talent Acquisition employees.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

M. 24-01 Procurement Process Performance Audit

Recommendation R-24-01-01 Disclosures to UTA Ethics Officer*

Risk Level: Medium

Audit Committee Report Date: December 16, 2024

Current Status: Submitted for Closure

**Original recommendation title: Conflict of Interest Disclosures to UTA Ethics Officer.*

Recommendation:

- Procurement department employees should report any conflicts of interest discovered in a procurement requisition to the UTA Ethics Officer.

Current Status from Internal Audit:

IA requested information from management but received no response. IA will attempt to request again.

Current Management Status Update:

This issue has been formally submitted to Internal Audit for validation and closure. Procurement added the Director of Internal Audit as an approver on the Conflict of Interest Form for selection committees. The UPR was also updated to state that conflicts of interest must be approved by the CRO and Director of Internal Audit.

Issue Owner:

Director of Supply Chain

Current Due Date:

7/31/2025

Recommendation R-24-01-02 Procurement Department is Under-resourced

Risk Level: High

Audit Committee Report Date: December 16, 2024

Current Status: Open

Recommendation:

- The Procurement department's 2026 budget should include headcount increases to convert the two outsourced consultant positions to full-time employees.
- Management should formally study the Procurement department's resource needs ahead of planning for the 2026 budgets and allocated resources as appropriate to the findings of the study.

Current Status from Internal Audit:

No update.

Current Management Status Update:

The Procurement Department is currently engaged in the 2026 budget process in which resource needs are being considered.

Issue Owner:

Director of Supply Chain

Current Due Date:

12/31/2025

N. 24-06 Preliminary Assessment of Payroll Process

Recommendation R-24-06-01 Vacation Sell-back exceeded policy

Risk Level: Low

Audit Committee Report Date: September 23, 2024

Current Status: Open

Recommendation:

- Management should work with the Total Rewards department to educate supervisors on vacation sell-back policy and procedure.
- We recommend that Management develop a form or memo required for all employees requesting vacation sell-back that verifies that all eligibility requirements are met before the sell-back is processed.
- We recommend that Management monitors the vacation sellback entries to detect any future occurrences of the error.
- We recommend that Management not attempt to claw-back past errors.

Current Status from Internal Audit:

IA performed testing on 2024 figures and found them accurate. We requested documentation that procedures have been updated but did not receive a response. The issue can be closed if procedures are updated.

Current Management Status Update:

The Comptroller is verifying that the new vacation sell-back process is documented and fully implemented.

Issue Owner:

Payroll Supervisor

Current Due Date:

12/31/2025

O. 25-10 Mount Ogden Bus Maintenance Audit

Recommendation R-25-10-01 Standard Operating Procedures Need Reviewed

Risk Level: Low

Audit Committee Report Date: June 16, 2025

Current Status: Open

Recommendation:

- Operations management should work with the Safety Department to review safety-related SOPs and make necessary updates.

Current Status from Internal Audit:

No update.

Current Management Status Update:

A Management response detailing corrective action has been submitted to the COO for review but has been delayed by a leadership change.

Issue Owner:

TBD upon approval of the management action plan.

Current Due Date:
June 16, 2026

Recommendation R-25-10-02 Job Description Documents Need Reviewed

Risk Level: Low

Audit Committee Report Date: June 16, 2025

Current Status: Open

Recommendation:

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Current Status from Internal Audit:

No update.

Current Management Status Update:

A management response detailing corrective action has been submitted to the COO for review but has been delayed by a leadership change.

Issue Owner:

TBD upon approval of the management action plan.

Current Due Date:

June 16, 2026

Appendix C: Issues Closed Since Last Report

A. 22-06 Performance Audit of Support Fleet

Recommendation R-22-06-4 Floating Vehicle Check-out and Security Measures*

Risk Level: High

Audit Committee Report Date: June 27, 2022

Current Status: Closed

**Original full title: Floating Vehicle Check-out and Physical Security Measures are Ineffective Against Preventing Fraud and Abuse.*

Recommendation:

- We recommend developing or purchasing new check-out software and adding additional controls to the check-out process. The new controls should be robust enough to 1) ensure Support Fleet knows who has custody of a vehicle at any given time, 2) ensures proper approvals for vehicle use are documented prior to an employee taking custody of a vehicle, 3) ensure vehicle keys are kept in a secure (locked) area that can only be accessed with either a unique identifier code or unlocked by a custodian that verifies the employee has gone through the check-out process and has all approvals documented.

Current Status from Internal Audit:

IA evaluated controls implemented by management and found that they are sufficiently designed to ensure proper safeguarding and custody of vehicles.