



Utah Transit Authority

Audit Committee

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Monday, March 10, 2025

3:00 PM

FrontLines Headquarters

Rollcall

Present: Chair Carlton Christensen
Jeff Acerson
Bob Stevenson
Natalie Hall

Excused: Beth Holbrook

Also attending were UTA staff and interested community members.

1. Call to Order & Opening Remarks

Chair Christensen welcomed attendees and called the meeting to order at 3:05 p.m. He announced this is an in-person, recorded meeting, with live viewing available online.

Chair Christensen added in his remarks that Trustee Holbrook is excused from the meeting and that Committee Member Natalie Hall would be joining the meeting shortly.

2. Safety First Minute

Chair Christensen delivered a brief safety message.

3. Consent

- a. Approval of December 16, 2024 Audit Committee Meeting Minutes**
- b. Audit Committee Charter Approval**

A motion was made by Trustee Acerson and seconded by Committee Member Stevenson, to approve the consent agenda. The motion carried by unanimous vote.

4. Audit Committee Actions and Reports

- a. Internal Audit Charter Approval**

Committee Member Hall joined the meeting at 3:09 p.m.

Mike Hurst, UTA Director of Internal Audit, presented changes to the Internal Audit Charter for review and adoption by the committee. The charter, which is reviewed by the Audit Committee each year, authorizes the Committee to direct the internal auditing functions of the agency.

Hurst provided an overview of the modifications to the 2025 charter which include:

- Updated reporting structure
- Clarified practices and procedures
- Referenced applicable laws to Internal Audit
- Added audit dispute procedures
- Updated references to audit standards
- Added the requirement of a Strategic Plan and Assurance Map
- Clarified the nature of consulting services and post-consulting restrictions

Discussion ensued. Questions regarding changes to audit standards, assurance map, and consulting services were posed by Chair Christensen and answered by Hurst.

A motion was made by Committee Member Stevenson, and seconded by Committee Member Hall, to approve the Internal Audit Charter as presented. The motion carried by unanimous vote.

b. Enterprise Risk Profile Report

Christie Giles, UTA Enterprise Risk Management Administrator, presented a high-level overview of the agency's enterprise risk profile report detailing current risk ratings in comparison to risk appetite.

Giles noted the last risk assessment was conducted in 2023 and identified UTA's risk rating as moderate with a desired rating of low-moderate. A new assessment will begin next month and results will be presented to the Audit Committee.

Discussion ensued. Questions regarding risk ratings, methodology for risk reduction, and how risk data will be integrated into the internal audit plan were posed by the committee and answered by staff.

c. 2025 Internal Audit Plan Approval

Mike Hurst presented the agency's 2025 internal audit plan for the committee's approval. He noted the plan's alignment with UTA's Strategic Plan in addition to risk areas identified in the enterprise risk report.

Hurst summarize the proposed audit projects in 2025 including Internal and outsourced projects and how each project aligns with the agency's strategic priorities and risk areas.

Discussion ensued. Questions regarding the Mount Ogden Bus Maintenance audit and the rationale for audit project selection were posed by the committee and answered by staff.

A motion was made by Trustee Acerson, and seconded by Committee Member

Stevenson, to approve the 2025 Internal Audit Plan, as presented. The motion carried by unanimous vote.

5. Internal Audit Update

a. Internal Audit Update

- **2024 Audit Plan Status**
- **Internal Audit Strategic Plan**
- **Other Internal Audit Activities**

Mike Hurst provided a status report for audit activities completed or in progress since the last audit committee meeting. Hurst's presentation included reports on the 2024 audit plan, continued projects, new projects, special projects, and other internal audit activities.

Hurst proceeded to review each category including a breakdown of the individual projects, current status, and reporting timelines.

Hurst presented the 2025 UTA Internal Audit Strategic plan and reviewed the vision statement, objectives, and goals of the plan. He noted this plan is required within the new audit standards.

Discussion ensued. Questions pertaining to the Construction Contract Audit and UDOT's involvement and oversight of projects, were posed by Committee Member Hall and answered by staff.

b. Open Issue Report - March 2025

Mike Hurst presented the March 2025 open issues report. He noted progress on two projects: Light Rail and Information Technology.

Hurst reported on new follow up procedures which will include the Enterprise Risk Management (ERM) team coordinating with management and internal audit on open issues. ERM will work with management on fulfilling action plans and alert internal audit when remediation evidence is ready for review. Hurst outlined the benefits, process, and next steps for this new procedure.

A newly revised open issues report will be presented to the committee during the June 16, 2025 meeting.

Discussion ensued. Questions pertaining to independent validation of completed assignments and the role of the enterprise risk management team, were posed by the committee and answered by staff.

Chair Christensen requested Hurst highlight audit action items that aren't being addressed and remediation solutions at each audit committee meeting

6. Internal Audit Reports**a. Real Estate and Transit Oriented Development Audit Report (R-24-03)**

Mike Hurst discussed the audit engagement scope, topics, and results of the Real Estate and Transit Oriented Development Audit.

Due to insufficient records and incomplete documentation, the audit team was unable to complete the audit. Hurst noted management will be working with a consulting team to review department processes and identify the problem areas.

Chair Christensen expressed concern with the audit results and lack of resolution. Jay Fox, UTA Executive Director, spoke to the audit and challenges affecting the department including resources. He added that he will have direct oversight of this audit and will be meeting with the consulting firm next week with UTA's Chief of Capital Services and will report directly back to the Board.

b. Information Technology General Controls Follow-up Report (R-21-05)

Mike Hurst was joined by Kyle Brimley, UTA IT Director, to present the Information Technology general controls follow-up report

Hurst provided background to the audit, including timelines, progress, and remediation efforts pertaining to compliance of security standards published by the National Institute of Standards and Technology (NIST).

Hurst reported the adoption of the NIST standards by the IT Department in addition to the hiring of a third-party to review NIST compliance, which have satisfied the requirements of the audit.

Committee Member Stevenson asked if standard practice necessitates the hiring of a third-party contractor to review NIST compliance. Brimley responded in the affirmative.

7. Other Business

- a. Next Meeting: Monday, June 16th, 2025, at 3:00 p.m.

8. Adjourn

A motion was made by Committee Member Stevenson, and seconded by Committee Member Hall, to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 4:10 p.m.

Transcribed by Hayley Mitchell
Executive Assistant to the Board
Utah Transit Authority

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials or audio located at: <https://www.utah.gov/pmn/sitemap/notice/978197.html> for entire content. Meeting video is accessible at: https://rideuta.granicus.com/player/clip/352?view_id=1&redirect=true
This document along with the digital recording constitute the official minutes of this meeting.

Approved Date:

Carlton Christensen
Chair, UTA Audit Committee