

# UTA Audit Committee Meeting

September 22, 2025



# Call to Order and Opening Remarks



# Safety First Minute



# Consent Agenda

- a. Approval of June 16, 2025 Audit Committee Meeting Minutes

## Recommended Action (by acclamation)

Motion to approve the consent agenda.



# Internal Audit Update



# Internal Audit Update

- 2025 Internal Audit Plan Status
- Bus Safety Audit



# 2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-01	Environmental Governance	In progress	Expected Dec. 2025
25-02	Vanpool Operations	Not started	Expected March 2026
25-03	Purchase Card Program	Completed	September 2025



# 2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-04	Video Security	Complete	Expected December 2025
25-05	Special Services Operations	Complete	September 2025
25-06	Drug and Alcohol Compliance	Not started	Expected March 2026



# 2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-07	Buy America Compliance	In Progress	Expected December 2026
25-08	Light Rail Safety	Complete	September 2025
25-09	Commuter Rail Safety	Not started	Expected December 2025



# 2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-10	Mount Ogden Bus Maintenance	Partially complete	First phase: June 16, 2025. Second phase: December 2025
25-11	Assurance Map	Complete	June 16, 2025



# 2025 Audit Plan – Outsourced Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-12	Bus Safety Audit	Procurement in progress	Award – September 2025; Audit Report – December 2025
25-13	Construction Audit	Procurement in progress	Award – December 2025; Report – to be determined based on the timing of construction project audited



# Bus Safety Audit

- **Outsourced to auditors from American Public Transportation Association**
- **Onsite the week of October 6**
- **Report for December Audit Committee Meeting**



# **Open Audit Recommendations Report – September 2025**



# Issues closed since last Audit Committee Meeting

- **Issue R-22-06-4 recommended that controls around Support Vehicle custody and key security be improved.**
- **Management purchased and installed an electronic checkout/check-in and key management system.**
  - **The system establishes who has assigned custody of a vehicle.**
  - **Only approved users can checkout a vehicle.**
  - **Keys are secured unless authorized for use.**



# Current Status of Open Issues

- **There are currently 37 open issues with the following chief office ownership:**
  - **10 in Capital Services**
  - **10 in Operations**
  - **10 in People Office**
  - **Six in Finance**
  - **One shared by Enterprise Strategy and Operations**
- **Count of open issues by Audit Plan year:**
  - **Three from 2020**
  - **Seven from 2021**
  - **Six from 2022**
  - **16 from 2023**
  - **Three from 2024**
  - **Two from 2025**



# Current Status of Open Issues

- **Anticipated upcoming follow up activity for the following engagements:**
  - **20-07 Preliminary Assessment of the Capital Projects Process**
  - **21-03 Preliminary Assessment of Maintenance of Way Systems**
  - **22-06 Performance Audit of Support Fleet**
  - **23-03 Preliminary Assessment of 1099 Reporting**
  - **23-11 Recruitment Assessment**



## Update on Follow-Up Process

- **There is a process bottleneck in the point where management provides evidence of remediation.**
- **Enterprise Risk Management (ERM) will work with management on improving this, including requiring evidence to be included when management submits an issue to be closed.**
- **An additional issue status was created called Gathering Evidence to differentiate between issues that are in Internal Audit's queue to review and issues that management is submitting for closure but evidence is still needed.**



# Internal Audit Reports



# Light Rail Safety Audit (25-08)



# Audit Scope



- **Period of Review: January 1, 2024 – December 31, 2024**
- **Audit topics:**
  - **Goals and Objectives**
  - **Transit Agency Safety Plan Updates**
  - **Risk Management Program**
  - **System Safety and Security Certification**
  - **Rules Compliance**
  - **Maintenance Audits and Inspections**
  - **Security Policy Statement**
  - **Security System Description**
  - **Management of the System Security Program**
  - **System Security Program Components**



# Audit Results

- **Internal Audit completed the audit on June 30, 2025.**
- **A report was issued to the State Safety Oversight Program Manager.**
- **The report was limited to observations with no recommendations.**
- **It is the decision of State Safety Oversight what observations, if any, require corrective action plans.**
- **Agency governance accountability for this audit goes annually to the Board of Trustees through the Safety Department.**



# **Special Services Operations Audit (25-05)**



# Audit Scope



- **Period of Review: January 1, 2022 – February 28, 2025**
- **Audit topics:**
  - **Governance**
  - **Risk Management**
  - **Staff Training and Oversight**
  - **Scheduling Process**



## **Audit Recommendations – 25-05-01**

- **Operations management should work with the Safety Department to review safety-related Standard Operating Procedure (SOP) documents and make necessary updates.**
- **Not recommended in the report: Non-safety SOPs should also be reviewed and updated.**



## **Audit Recommendations – 25-05-02**

- **Operations management should work with Human Resources to review all job description documents and make necessary updates.**
- **The following job descriptions have not been updated in at least five years:**
  - **ADA Evaluation Office Administrator**
  - **Flextrans Bus Operator**
  - **Flextrans Radio Control Coordinator**
  - **Manager of Service Delivery**
  - **Mobility Center Office Specialist**
  - **Operations Supervisor**
  - **Paratransit Eligibility Specialist**
  - **Special Services Customer Care Administrator**
  - **Special Services General Manager**
  - **Senior Office Specialist – Special Services BU**



## **Audit Recommendations – 25-05-03**

- **Management should reevaluate scheduling call time goals. If the goal of fielding all calls in under two minutes is determined to be practical, management should provide targeted training and oversight to reduce call times.**
- **Management should reevaluate scheduling staffing needs to assess if increased staff would shorten average call hold times.**



## Audit Recommendations – 25-05-04

- **Management should formalize the scheduling procedures as an SOP**



## **Audit Recommendations – 25-05-05**

- **Internal Audit recommends that records of CDL licensure of employees driving revenue vehicles is maintained in a manner where business units can reconcile which employees are coming up on their five-year CDL license expiration date.**



# Purchase Card Program Audit (25-03)



# Audit Scope



- **Period of Review: September 1, 2021 – February 28, 2025**
- **Audit topics:**
  - **Governance**
  - **Program Compliance**
  - **Transaction Testing**
  - **The scope did include Risk Management**



## Audit Results – 25-03-02

- **Issue: There was an open Purchase Card account for a terminated employee.**
  - **No evidence of fraudulent spending.**
- **Management should coordinate with the People Office to ensure the offboarding checklist includes a step to notify the P-Card Administrator upon any employee termination or transfer.**
- **Management should consider working with the People Office to automate notifications through the HR system to immediately flag personnel changes that require card deactivation.**
- **The P-Card Administrator should periodically reconcile or create a tracking mechanism to ensure all active cardholders are current employees.**



## Audit Results – 25-03-05

- **Issue: 137 cardholders or approvers have not completed basic purchase card training**
- **Update policies and SOPs to clearly mandate annual training for all cardholders and approvers.**
- **Identify cardholders and approvers who have not completed training in the past year and require completion.**



# Audit Results – 25-03-06

- **Issue: Training for transaction approvers does not exist**
- **Develop and deploy a targeted training module for transaction approvers. This training should cover review responsibilities, documentation requirements, and policy compliance.**
- **Integrate training compliance tracking into the learning management system (LMS) and establish triggers to notify Finance or Program Administrators when an approver lacks required training.**
- **Require periodic refresher training for all transaction approvers, regardless of P-Card holder status.**
- **Review and update internal policies to reflect the need for distinct training requirements for different user roles within the P-Card system.**



# Audit Results – 25-03-07

- **Issue: Purchase cards have been used to purchase individual meals.**
- **Reinforce meal policy requirements through targeted refresher training for all P-Card holders and transaction approvers, emphasizing documentation expectations for meals.**
- **Strengthen documentation guidance by providing a template for meal purchase descriptions that includes fields for attendees, purpose, and justification.**
- **Update the approval process to include a mandatory checklist for business meal purchases that requires confirming the number of attendees, meeting purpose, and exclusion of unauthorized items.**



## Audit Results – 25-03-08

- **Issue: Purchase transactions lack detailed information required by policy**
  - **85,068 (62%) lacked required transaction descriptions**
  - **4,412 were missing receipts**
  - **3,039 had no recorded approvals in US Bank**
- **Update training materials and procedures to emphasize the importance of complete descriptions, supporting documentation, and timely approvals.**
- **Enforce system validation rules that require detailed descriptions, receipt uploads, and selection of an approver before a transaction can be submitted for review.**



## **Audit Results – 25-03-08 (continued)**

- **Develop automated reminders and escalation protocols for reconcilers and approvers who fail to complete tasks within the 8-day reconciliation window.**
- **Implement periodic compliance audits to identify users with repeat deficiencies and refer issues to department leadership for follow-up.**
- **Restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining.**



# Other Business

- a. Next Meeting: December 15<sup>th</sup>, 2025, at 3:00 p.m.



# Closed Session



# **Strategy Session to Discuss Topics as Defined in Utah Code 52-4-205 (1):**

- Deployment of security personnel, devices, or systems**

## **Recommended Action (by acclamation)**

Motion to move into a closed session to discuss the deployment of security personnel, devices, or systems as defined in Utah Code 52-4-205 (1).



# In Closed Session



# Open Session



# Adjourn

