



# Utah Transit Authority

## Audit Committee

### REGULAR MEETING AGENDA

669 West 200 South  
Salt Lake City, UT 84101

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**Monday, September 22, 2025**

**3:00 PM**

**FrontLines Headquarters**

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The UTA Audit Committee will meet in person at UTA FrontLines Headquarters (FLHQ) - 669 West 200 South, Salt Lake City, Utah 84101

1. **Call to Order & Opening Remarks** Chair Carlton Christensen
  2. **Safety First Minute** Trustee Jeff Acerson
  3. **Consent** Chair Carlton Christensen
    - a. Approval of June 16, 2025 Audit Committee Meeting Minutes
  4. **Internal Audit Update**
    - a. Internal Audit Update Mike Hurst
      - 2025 Internal Audit Plan Status
      - Bus Safety Audit
    - b. Open Audit Recommendations Report - September 2025 Mike Hurst
  5. **Internal Audit Reports**
    - a. Light Rail Safety Audit (25-08) Mike Hurst  
Travis King
    - b. Special Services Operations Audit (25-05) Mike Hurst  
Ryan Taylor
    - c. Purchase Card Program Audit (25-03) Mike Hurst  
Viola Miller
  6. **Other Business** Chair Carlton Christensen
    - a. Next Meeting: Monday, December 15th, 2025 at 3:00 p.m.
  7. **Closed Session** Chair Carlton Christensen
    - a. Strategy Session to Discuss Topics as Defined in Utah Code 52-4-205 (1):
      - Deployment of security personnel, devices, or systems
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**8. Open Session**

Chair Carlton Christensen

**9. Adjourn**

Chair Carlton Christensen

**Meeting Information:**

- Special Accommodation: Information related to this meeting is available in alternate formats upon request by contacting [adacompliance@rideuta.com](mailto:adacompliance@rideuta.com) or (801) 287-3536. Requests for accommodations should be made at least two business days in advance of the scheduled meeting.
- Meeting proceedings may be viewed remotely by following the meeting video link on the UTA Public Meeting Portal - <https://rideuta.legistar.com/Calendar.aspx> or via Zoom at [https://bit.ly/UTA\\_Audit\\_09-22-25](https://bit.ly/UTA_Audit_09-22-25)
- In the event of technical difficulties with the remote connection or live-stream, the meeting will proceed in person and in compliance with the Open and Public Meetings Act.
- Public Comment will not be taken at this meeting, but general comment may be given online through <https://www.rideuta.com/Board-of-Trustees>. Comments may also be sent via e-mail to [boardoftrustees@rideuta.com](mailto:boardoftrustees@rideuta.com).
- Meetings are audio and video recorded and live-streamed.
- Motions, including final actions, may be taken in relation to any topic listed on the agenda.



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# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 9/22/2025

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**TO:** Audit Committee  
**FROM:** Curtis Haring, Board Manager

**TITLE:**

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**Approval of June 16, 2025 Audit Committee Meeting Minutes**

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**AGENDA ITEM TYPE:**  
Minutes

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**RECOMMENDATION:**  
Approve the minutes of the June 16, 2025 Audit Committee meeting.

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**BACKGROUND:**  
A regular meeting of the UTA Audit Committee was held in person and broadcast live through the UTA meetings website on Monday, June 16, 2025 at 3:00 p.m. These minutes document the actions of the committee and summarize the discussion that took place in the meeting.

A full audio recording of the meeting is available on the [Utah Public Notice Website](https://www.utah.gov/pmn/sitemap/notice/1002311.html) <<https://www.utah.gov/pmn/sitemap/notice/1002311.html>> and video feed is available through the [UTA Public Meeting Portal](https://rideuta.legistar.com/MeetingDetail.aspx?ID=1243588&GUID=48880EA7-37AA-4656-83F4-C3E0B4BD8B9F) <<https://rideuta.legistar.com/MeetingDetail.aspx?ID=1243588&GUID=48880EA7-37AA-4656-83F4-C3E0B4BD8B9F>>.

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**ATTACHMENTS:**  
2025-06-16\_AUDIT\_Minutes\_UNAPPROVED



# Utah Transit Authority

## Audit Committee

### MEETING MINUTES - Draft

669 West 200 South  
Salt Lake City, UT 84101

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**Monday, June 16, 2025**

**3:00 PM**

**FrontLines Headquarters**

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**Present:** Chair Carlton Christensen  
Beth Holbrook  
Bob Stevenson  
Natalie Hall

**Excused:** Jeff Acerson

Committee members Bob Stevenson and Natalie Hall joined the meeting electronically.

Also attending were UTA staff and interested community members.

**1. Call to Order & Opening Remarks**

Chair Carlton Christensen welcomed attendees and called the meeting to order at 3:02 p.m.

**2. Safety First Minute**

Heather Barnum, UTA Chief Communications Officer, delivered a brief safety message.

**3. Consent**

**a. Approval of March 10, 2025, Audit Committee Meeting Minutes**

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

**4. Audit Committee Actions**

**a. 2024 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report**

Viola Miller, UTA Chief Financial Officer, was joined by Rob Lamph, UTA Comptroller, and Brad Schelle with Crowe LLP.

Schelle provided information on Crowe LLP (Crowe) and discussed Crowe's audit approach, timeline, deliverables, and results. Schelle reported on one significant deficiency in internal controls and five deficiencies communicated via the management letter. No issues with fraud and no material weaknesses in internal controls were noted in the findings. Schelle concluded with a review of other required communications and emerging issues that could impact UTA's financial management.

Discussion ensued. Questions on nurturing skepticism, agreement tracking, construction project transfer automation, Inflation Reduction Act tax credits, and compensated absences accruals were posed by the committee and answered by staff.

A motion was made by Committee Member Stevenson, and seconded by Trustee Holbrook, to recommend acceptance of the 2024 UTA ACFR and NTD Agreed Upon Procedure Report by the UTA Board of Trustees. The motion carried by a unanimous vote.

## **5. Internal Audit Update**

### **a. Internal Audit Update**

- **2024 Internal Audit Plan Status**
- **2025 Internal Audit Plan Status**

Mike Hurst, UTA Director of Internal Audit, reported on the 2024 and 2025 Internal Audit Plans status.

### **b. 2024 UTA Internal Audit External Assessment - Remediation Action Plans**

Mike Hurst was joined by Alisha Garrett, UTA Chief Enterprise Strategy Officer.

Hurst provided background information on the external assessment and reviewed gaps of conformance and action plans, as well as opportunities for continuous improvement and action plans.

Discussion ensued. Questions on aligning internal audit work with the enterprise risk management (ERM) assessment, closure of conformance gaps validation, IA policies and procedures manual delay, and third party assurance over ethics controls were posed by the committee and answered by staff.

### **c. Open Audit Recommendations Report - June 2025**

Mike Hurst was joined by Alisha Garrett.

Hurst provided a procedural update on shared work between ERM and internal audit. He then reviewed issues changes since the last UTA Audit Committee meeting.

Discussion ensued. A question on management of low priority issues from the recruitment assessment was posed by the committee and answered by staff.

## **6. Internal Audit Reports**

### **a. 2025 Assurance Map (25-11)**

Mike Hurst discussed the need for an assurance map and highlighted findings from the 2025 Assurance Map.

Discussion ensued. Questions on the frequency of updates to the assurance map and reporting cadence were posed by the committee and answered by Hurst.

**b. Construction Cost Audit Report (24-02)**

Mike Hurst was joined by David Hancock, UTA Chief Capital Services Officer; Daniel Hofer, UTA Director of Capital Programming & Support; and Luke Barber, UTA Senior Internal Auditor.

Staff reviewed the audit scope and recommendations.

Discussion ensued. Questions on invoice standardization and review, the size of certain contracts, the need for programmatic support, program management services at other transit agencies, and the program management services contract scope were posed by the board and answered by staff.

**c. Mount Ogden Bus Maintenance Audit Report (25-10)**

Mike Hurst was joined by Camille Glenn, UTA Regional General Manager - Mt. Ogden Business Unit.

Mike Hurst reviewed the audit scope, recommendations, and next steps.

Discussion ensued. Questions on updates to standard operating procedures (SOPs) and job description reviews were posed by the committee and answered by Hurst.

**7. Other Business**

- a. Next Meeting: Monday, September 22th, 2025 at 3:00 p.m.

**8. Adjourn**

A motion was made by Trustee Holbrook, and seconded by Committee Member Stevenson, to adjourn the meeting. The motion carried by a unanimous vote and the meeting adjourned at 4:39 p.m.

Transcribed by Cathie Griffiths  
Executive Assistant to the Board Chair  
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/1002311.html> for entire content. Meeting materials, along with a time-stamped video recording, are also accessible at [https://rideuta.granicus.com/player/clip/371?view\\_id=1&redirect=true](https://rideuta.granicus.com/player/clip/371?view_id=1&redirect=true).

This document along with the digital recording constitute the official minutes of this meeting.

Approved Date:

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Carlton J. Christensen  
Chair, Board of Trustees



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 9/22/2025

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director Internal Audit  
**PRESENTER(S):** Mike Hurst, Director Internal Audit

**TITLE:**

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**Internal Audit Update**

- 2025 Internal Audit Plan Status
- Bus Safety Audit

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**AGENDA ITEM TYPE:**

Discussion

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**RECOMMENDATION:**

Informational presentation for discussion.

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**BACKGROUND:**

Internal Audit creates an annual plan listing audit activities. The 2025 Internal Audit Plan was approved by the Audit Committee on March 10, 2025. Internal Audit reports on the status of activities listed on the Plan at each Audit Committee meeting.

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**DISCUSSION:**

Internal Audit will report on the status of projects from the 2025 Internal Audit Plan. Special attention will be given to the status of an outsourced audit of Bus Safety that is set to commence in October 2025.

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**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable



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**ATTACHMENTS:**

Not applicable



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 9/22/2025

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director Internal Audit  
**PRESENTER(S):** Mike Hurst, Director Internal Audit

**TITLE:**

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**Open Audit Recommendations Report - September 2025**

**AGENDA ITEM TYPE:**  
Report

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**RECOMMENDATION:**  
Informational presentation for discussion.

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**BACKGROUND:**

The Open Audit Recommendation Report tracks outstanding issues and recommendations from prior internal audit reports and provides the status of those issues. The Enterprise Risk Management Administrator (ERMA) assists management with action plans to address recommendations and monitors progress. When an action plan is complete, the ERMA requests a follow-up review from the Internal Audit department. Internal Audit closes an issue when the action plan is completed, if an issue is no longer relevant, or if management chooses to accept the risk and not perform any action. Internal Audit reports the resolution of each issue to the Audit Committee.

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**DISCUSSION:**

Internal Audit will discuss activity around outstanding issues since the last report at the Audit Committee meeting on June 16, 2025. UTA's ERMA will join to provide management perspectives.

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**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

Open Audit Recommendation Report September 2025



## **INTERNAL AUDIT**

### **Open Audit Recommendation Report**

**September 10, 2025**

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## Rating Matrix

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Descriptor	Guide
<b>High</b>	Matters considered being fundamental to the maintenance of internal control or good corporate governance.
<b>Medium</b>	Matters considered being important to the maintenance of internal control or good corporate governance.
<b>Low</b>	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

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Title	For Action <sup>1</sup>	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	*	*	*

<sup>1</sup>For 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

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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

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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

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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.



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 9/22/2025

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director Internal Audit  
**PRESENTER(S):** Mike Hurst, Director Internal Audit  
Travis King, Director Safety and Security

**TITLE:**

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**Light Rail Safety Audit (25-08)**

**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Informational report for discussion.

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**BACKGROUND:**

The 2025 Internal Audit Plan, which was approved by the Audit Committee on March 10, 2025, includes a Light Rail Safety Audit. This is an annual audit required by State Safety Oversight, and the procedures are primarily based on checklists published by the Federal Transit Administration. Internal Audit is limited to reporting on observations with recommendations. It is the decision of State Safety Oversight what observations, if any, require corrective action plans. Accountability to Agency Governance for this audit goes annually to the Board of Trustees through the Safety Department. The purpose of this report is to inform the Audit Committee that this specific project on the 2025 Internal Audit Plan has been completed.

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**DISCUSSION:**

Internal Audit will report on the completion of the audit.

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**ALTERNATIVES:**

Not applicable

**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

2025 Light Rail Safety Audit Memo

**Date:** June 30, 2025; minor formatting correction on August 26, 2025  
**To:** Peter Jager, State Safety Oversight Program Manager  
**Cc:** Travis King, Director Safety & Security; Audit Committee for the Utah Transit Authority  
**From:** Mike Hurst, Director Internal Audit  
**Subject:** 2025 Light Rail Safety Audit Results

**Background**

Utah Transit Authority (“UTA”) Internal Audit (“IA”) annually completes a Light Rail Safety audit required by State Safety Oversight (“SSO”). The audit is listed on the 2025 Audit Plan approved by the UTA Audit Committee on March 10, 2025.

The audit procedures are based on checklists published by the Federal Transit Administration (“FTA”) and topics are covered on a three-year rotating basis. The audit results are owned by SSO, who coordinates with UTA Safety management to determine if corrective action plans are needed to address any Findings of Non-compliance or Compliance with Recommendations.

**Scope**

The 2025 Light Rail Audit was completed by Mike Hurst, Director Internal Audit for UTA, who holds the certification Public Transportation Safety Certification Program – Rail certification that is required to be assigned the audit, and the Transit Safety and Security Program – Rail certification.

The audit period of review was January 1, 2024 – December 31, 2024, with information from other periods considered as necessary.

The following TASP topics were covered:

1. TASP Element #2 Goals and Objectives
2. TASP Element #4 Transit Agency Safety Plan (“TASP”) Annual Updates, Revisions, and Changes
3. TASP Element #5 Risk Management Program
4. TASP Element #12 System Safety and Security Certification
5. TASP Element #13 Rules Compliance
6. TASP Element #15 Maintenance Audits and Inspection Program

The following System Security (“SSP”) topics were covered:

1. SSP Element #1 Policy Statements
2. SSP Element #2 System Description
3. SSP Element #3 Management of the System Security Program
4. SSP Element #4 System Security Program Components

## **Results**

The following summarize each element of the, divided into Findings of Non-compliance and Compliance with Recommendations. IA was conservative in judging something Non-compliance. SSO and Management will want to carefully review the language of this report to determine what action plans are appropriate.

### **1. TASP Element #2 Goals and Objectives**

#### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

#### *Compliance with Recommendations:*

- Accountability for reporting safety goals and objectives in the dashboard is not clear.
- Procedures around the dashboard to report safety goals need improvement, including:
  - Defining distribution.
  - Responsibility for maintaining the dashboard.
  - Procedures if goals are not being met.
- Reviewed safety dashboards had data issues, including:
  - Incorrect calculations
  - No information on Safety Reliability goals
  - Per capita employee injury statistics was not anchored in total number of employees.
  - The meaning of color-coded ratings is not stated.

### **2. TASP Element #4 Transit Agency Safety Plan (“TASP”) Annual Updates, Revisions, and Changes**

#### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

#### *Compliance with Recommendations:*

No issues that the auditor considers opportunities for improvement.

### **3. TASP Element #5 Risk Management Program**

#### *Findings of Non-compliance:*

- A corrective action plan was not created for a documented hazard related to passenger drug use.

#### *Compliance with Recommendations:*

- UTA Safety could not provide evidence that high rated hazards were reported to SSO.
- Several data issues were identified within the Hazard Log. Specific details were provided to management. As an overview, these issues included:

- The Hazard Log consists of a Summary tab and the log itself. There were a total of 14 hazards that appeared on one those sources but not the other.
- The Average Days Open field, as they appear in the Summary and 180 Day Log, had the calculation formula hardcoded, meaning it was no longer automatically updating to show the correct days open.
- The meaning of code letters used to rate hazard probability are not defined.
- The meaning of code numbers to rate hazard severity are not defined.
- Authentication data (who, what, when, where) for documentary photograph evidence is not retained.
- The format for data entry the IHR field (acronym not defined in the log) is not consistent.

#### **4. TASP Element #12 System Safety and Security Certification**

This section dealt primarily with auditing the safety and security certifications that occur during construction projects or in modifications of systems. IA could not completely evaluate performance. System Safety and Security Certification requirements are not clear enough and seem to depend on project type. The types and naming of documentation were not consistent across the sample of projects reviewed. However, it is clear that safety and security activities occur extensively in construction projects and SSO played a significant role in some of the projects reviewed.

##### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

##### *Compliance with Recommendations:*

- System Safety and Security Certification procedures should be clarified in TASP and Agency SOP and documentation standardized, including:
  - When SSO involvement is required.
  - What documents (such as plans, certifications, etc.) are needed based on project type.
  - The timing of safety and security activities within a project.

#### **5. TASP Element #13 Rules Compliance**

##### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

##### *Compliance with Recommendations:*

- It is unclear what “Policy Operational Directive for Safety (2.1 Safety No. 1.2.1), mentioned in the TASP, refers to.
- The following policies and standard operating procedures (“SOP”) are listed in the TASP but are not listed as being in effect on the UTA SharePoint.
  - 4.3.2 Fire Protection and Evacuation Plans
  - 4.3.12 Personal Protective Equipment
  - 4.3.10 Bloodborne Pathogens Policy



- 3.xx.xx New Chemical Approval Policy
  - None of the Agency SOPs listed in section 4.3.1.1 and 4.3.1.2 of the TASP are in the Agency SOP section of SharePoint.
- The following policies and SOPs are on SharePoint but have not been updated in at least three years:
  - UTA.03.01 Employee and Public Safety (June 2021)
  - 4.3.3 Hazard Communication...(July 2017)
  - 4.3.6 Visitor Access (February 2015)
- It is unclear who is responsible for safety and compliance related policy/SOP – management or Safety? The TASP would be strengthened with this clarification.
- Section 3.10.2 Medical Monitoring requires “biannual physical examinations”, but this requirement is not mirrored in Corporate Policy No. 6.4.1.
  - Based on context, the TASP intends these physicals to be every two years. That’s “biennial” not “biannual”.
- Section 3.10.2 lists emotional health evaluations but it is not clear if it is required or optional.
  - Fit for Duty SOP (No. LRSU OPS 0400.0423 REV 3 says employees are expected to be “mentally fit” but does not include the additional information the TASP has.
- The TASP references old SOP for Hours of Service, 101.09.
- OPS-SOP-0106 REV 2.0 hasn’t been reviewed in over three years – last updated November 2020.
- TASP does not mention Fatigue Management. Covered by LRSU OPS 0400.0423 REV 3.
- The TASP mentions the old UTA Drug and Alcohol policy. Current policies are UTA.01.15 (FRA) and UTA.01.18 (FTA)
- The TASP does not mention over-the-counter medications, but UTA.01.18 does.
- The following were observed at an onsite inspection at the Jordan River maintenance shop (specific details were provided to management):
  - Four fire extinguishers did not have a recent monthly inspection.
  - Expired Narcan
  - Outdated evacuation plan was posted
  - A “red bag”, an old evacuation carry kit that was done away, was still in use.
- The following was observed at an onsite inspection at the Midvale maintenance shop (specific details were provided to management):
  - Expired Narcan.

## 6. TASP Element #15 Maintenance Audits and Inspection Program

### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

### *Compliance with Recommendations:*

- Maintenance of Way (“MOW”) Management did not know what, if any, FTA regulations applied to overhead catenary inspections.
- MOW stores the information of major maintenance in a system called IPCS, but the forms themselves do not list maintenance issues, so there is no link between inspection and IPCS.

- The inspection forms used by MOW for inspecting overhead catenary poles are just a list of pole block sections. They are filled out with basic tick marks, sometimes initials, and sometimes the date. This form lacks the following elements:
  - Procedure checklist – it is not clear what is being done
  - Formal date recordkeeping
  - Formal recordkeeping of who performed the inspection
  - Indications of issues noted (in fact, IA could not actually perform a step due to that data limitation.)

## 1. SSP Element #1 Policy Statements

### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

### *Compliance with Recommendations:*

No issues that the auditor considers non-compliance.

## 2. SSP Element #2 System Description

### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

### *Compliance with Recommendations:*

- Section 2.3 – Vanpool and MicroTransit are two transit modes not mentioned in the background of the system
- The background, or an appendix, should include a list of UTA properties that fall under Security.

## 3. SSP Element #3 Management of the System Security Program

### *Findings of Non-compliance:*

- Odd numbered pages are missing from the SSP. It is not an editorial mistake, actual pages of information are missing. A few examples that demonstrate this:
  - Page 4 (Index) ends with section 3.4.2, the next page picks up with section 5.2
  - Page 10 starts mid-section with the preceding information missing.
  - Page 10 ends with section 1.3 and page 12 begins with a heading section and then 1.5.3.
  - Page 24 ends with section 3.5, next page begins with 3.6.2. There should be at least a 3.6.1.

### *Compliance with Recommendations:*

- The document could be strengthened by more clearly mentioning the position of the Security group within UTA.
- The background, or an appendix, should include a list of UTA properties that fall under Security.
- Section 3.4.1 of the SSP states that the Police department is part of the Safety and Security department – they report to Operations.
- The role of the Police department *internally* should be better defined and described.

#### 4. SSP Element #4 System Security Program Components

##### *Findings of Non-compliance:*

No issues that the auditor considers non-compliance.

##### *Compliance with Recommendations:*

- Responsibility for the Continuity of Operations Plan is not defined in the SSP.
- Section 3.7.1 of the SSP states that the Safety and Security Review Committee meets on a “regular basis”. “Regular basis” is not sufficiently descriptive to establish a control. Some clarification on meeting frequency, who calls meetings, who sets agendas, etc. would strengthen the governance around this committee.
- Section 3.7.2 of the SSP describes Rail Services and Bus Operations safety committees but there is not detail on the roster of the committee, when they meet, who calls meetings and sets agendas, etc.
- Section 6.5.2 of the SSP needs to define responsibility for Security Investigations. Also discuss what other parties may need to get involved – potential overlap with a security issue could include: Human Resources, Ethics Officer, Police, Finance, etc.
- UTA job descriptions do not match descriptions of duties in SSP. Having the documents match has an extra emphasis of importance because the SSP isn’t a widely distributed or available document.
  - Examples:
    - Trax Operator job description has some things that suggest the responsibilities outlined in the SSP (section 4.4.4.7) but not clearly. The job description is more safety focused but it could be interpreted to include security
    - Rail Service Employee job description – no descriptions of SSP duties described in 4.4.4.8. There is some suggestion of inspections, the language is more mechanical focused, but it could be interpreted to include security.
    - Electromechanic job description – some of the descriptions fit well into duties described in 4.4.4.5 of the SSP but security is not explicitly discussed.



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 9/22/2025

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director Internal Audit  
**PRESENTER(S):** Mike Hurst, Director Internal Audit  
Ryan Taylor, Special Services General Manager

**TITLE:**

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

**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Informational report for discussion.

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**BACKGROUND:**

The 2025 Internal Audit Plan, which was approved by the Audit Committee on March 10, 2025, included an audit engagement of Special Services. Special Services is the business unit that oversees the operation and maintenance of the UTA transportation modes designed for people whose functional abilities require individualized transportation service, such as Paratransit, flex route in the fixed route bus system, and vanpool.

This audit was focused on the paratransit mode and evaluated governance, risk management activities, scheduling, and operator training and oversight.

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**DISCUSSION:**

Internal Audit will report on observations and recommendations from the audit.

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**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

25-05 Special Service Operations Audit Report



## **INTERNAL AUDIT**

### **Special Service Operations Audit**

**25-05**

**June 25, 2025**

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## Rating Matrix

Descriptor	Guide
<b>High</b>	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
<b>Medium</b>	Matters considered being important to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within six months.
<b>Low</b>	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. These matters should be subject to agreed remedial action and further evaluation within twelve months.

## Distribution List

Title	For Action <sup>1</sup>	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Operating Officer		*	*
Chief People Officer		*	*
Special Services General Manager	*	*	*
Director Talent Acquisition	*	*	*

<sup>1</sup>For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit finding.

# Executive Summary

## Introduction

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The Utah Transit Authority (“UTA”) Audit Committee directed the Internal Audit department (“IA”) to conduct an audit over Special Service Operations. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025. IA completed the audit in accordance with Global Internal Audit Standards published by the Institute of Internal Auditors.

## Background and Overview

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Special Service Operations provides paratransit services for people with disabilities in Salt Lake County and manages third party provision of services in Davis and Utah Counties. Special Service Operations is unique in the provision of services by utilizing Operations Support – consisting of a scheduling team that aids customers in calling in to request and plan services, and the Flex Route Communications Center (FRCC) that acts as a dispatch and troubleshooting center for UTA’s paratransit services.

## Objectives and Scope

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IA based the audit objectives and scope on the results of planning procedures that included discussions with management, and assessments of risk and fraud risk. The topics for the audit were:

1. Governance  
IA reviewed policies and procedure documents, instruction manuals, and job description documents.
2. Staff Training and Oversight  
IA reviewed training documentation and oversight measures and processes.
3. Scheduling Process  
IA reviewed the scheduling process that Special Service Operations Supports uses each day to adapt to the paratransit needs.
4. Risk Management  
IA verified if management was taking part in training and surveys from the Enterprise Risk Management department.

IA set the audit period as January 1, 2022, through February 28, 2025.

## Summary

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### 1. Governance

IA reviewed standard operating procedures (“SOP”), 30 in total, to determine how recently management has updated them. 21 of the 30 SOPs Management have not been updated in the past five years. We note that these SOPs are not within sole control of Special Service Operations management but is common to all bus operation



units. We recommend that management at the appropriate level work with the Safety department to review these SOPs and make any necessary updates.

IA reviewed the job description documents for all Special Services positions, 15 in total, to determine the age of the documents, if minimum experience is described, and if job duties are listed. 10 of the job descriptions were at least five years old. We note that these job descriptions are not within sole control of Special Services management but is common to all bus operation units. We recommend that management at the appropriate level work with the Human Resources department review these job descriptions and make any necessary updates.

Management monitors operator's records with the State of Utah to detect lapses licenses and driving infractions. The Talent Acquisition team maintains the database of operator licenses for monitoring, but they do not keep records of who they are monitoring. We recommend that Talent Acquisition maintain a list of who is being monitored.

## **2. Staff Training and Oversight**

IA reviewed staff training requirements and oversight measures utilized by management. Training required and completed for operators, schedulers, and dispatch staff meets business unit needs. Management ensures that ridership needs are the primary focus of the business unit and necessitates an agile and adaptive workforce each day by using oversight measures. Even with an increase in ridership throughout the reporting period, Special Services has supported a high rate of on-time performance, low rates for missed trips, and trips over 90 minutes. However, the average hold time and percentage of calls over two/five minutes have increased during the reporting period, beyond the department's own goals. We recommend that management either improve call times to align with goals or re-evaluate if their goals are realistic and necessary.

## **3. Scheduling Process**

IA reviewed the scheduling process used daily by Special Service Operations. Scheduling for ridership needs is a dynamic process that requires operations supervisors and scheduling staff to quickly review rapidly incoming information and plan routes in a way that best serves customers while balancing the workload of available operators. Scheduling work is completed 48 hours prior to the date that blocks of work are completed. Any changes to the workload based on ridership cancelations or operator availability is managed by the FRCC.

Management is currently involved in making changes to the scheduling process using the Workforce Management application so that information between the TRAPEZE scheduling system and the Operations Work Assignment and Tracking System (OWATS) communicate more effectively.

Management's scheduling process is sound but is not formally documented. We recommend management draft an SOP that documents these processes.

## **4. Risk Management**

IA confirmed that management has participated in all expected risk management activities with the Enterprise Risk Management department, including completing training and risk surveys.

## Finding 25-05-01 Standard Operating Procedures Need Reviewed

Risk Level: Low

**Criteria**

UTA Board of Trustees Policy No. 1.1 “Process for Establishing Board Policies”, II.D.1. states,

*All policies and procedures including Board policies, UTA Policies, and Standard Operating Procedures will be reviewed for revision or confirmation as required by statute at least every three years.*

**Condition**

IA reviewed the standard operating procedures (“SOPs”) to determine when each was last updated. Management has not updated any of the SOPs in the last three years. See Table 1 below.

**Table 1. Date Updated for Safety Related Standard Operating Procedures**

Standard Operating Procedure Title	Date Updated
Abandoned Mobility Device	04/06/2014
Accident Response and Notification	05/18/2018
Animals Injured by SSBU Vehicles	01/16/2017
Blood Born Pathogens	04/06/2014
Cancellation Line	05/19/2014
Customer Behavior	08/03/2014
Day Onboarding Training	03/25/2015
Departmental SOP Policy	08/11/2014
Disruptive Illegal Behavior	07/03/2013
Emergency Procedures for Disasters	08/18/2020
Emergency Trip Sheet	05/19/2014
Fare Verification	08/20/2020
Loss of Dynamic Dispatching	11/18/2022
Lost SSBU Passenger	04/23/2021
Medicaid Sticker Process	03/08/2017
Operator Service Improvement Process	No Effective or Revised date listed.
Passenger Added “Customized Feature” to Wheelchair	04/06/2014
Passenger Boarding Separate of Mobility Device	04/06/2014
Passenger Falls	04/12/2014
Passenger Left Unattended	4/23/2021
Passenger Use of a Loaner Chair	04/05/2014
Reasonable Modification of Service	02/21/2017
Requesting UTA Audio Recordings SSBU	04/15/2016
Riverside Fire Evacuation	07/03/2014
Same Day Changes	04/06/2021
SOP Management Procedure	04/06/2021
SSBU Onboard Disturbance	04/06/2014
Sunday-Holiday with no Supervisor	01/06/2015
System Delay – Extreme Weather	04/23/2021
Trip Cancellations Day of Service	04/23/2021

**Cause**

Not applicable.

**Effect**

- Outdated operating procedures may be obsolete, unclear, and can decrease business unit effectiveness.
- Employees' safety may be compromised if safety-related SOPs are not up to date with current procedures.
- Safety-related SOPs are often created to comply with regulations and laws. Outdated SOPs may be unaligned with these regulations and laws, increasing the risk of a non-compliance finding from oversight agencies.

**Recommendation**

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

**Management Response and Action Plan**

Management agrees with the finding and will take the following corrective actions: 1. Determine safety policies for review by July 15, 2025. 2. Establish SOP review committee by Aug. 1, 2025. 3. Draft revision submitted by Nov. 1, 2025. 4. Approval by Dec. 1, 2025. Root Cause: No formal review process has been established.

**Responsible**

Special Services General Manager

**Target Completion Date**

December 31, 2025

**Finding 25-05-02 Job Description Documents Need Reviewed**

**Risk Level: Low**

**Criteria**

UTA Human Resources recommends that managers review job descriptions that are more than five years old.

**Condition**

IA reviewed the job descriptions for Special Service employees to verify the age of the documents, and that minimum experience and job duties are described. Management has not updated any of the job descriptions in the past five years.

**Table 2. Job Description Attributes**

<b>Job Title</b>	<b>Last Updated</b>	<b>Minimum Experience Described</b>	<b>Job Duties Described</b>
ADA Evaluation Office Administrator	09/2019	Yes	Yes
Flextrans Bus Operator	11/2016	Yes	Yes
Flextrans Radio Control Coordinator	10/2016	Yes	Yes
Manager of Service Delivery (Common to all service units)	08/2015	Yes	Yes
Mobility Center Office Specialist	09/2016	Yes	Yes
Operations Supervisor (Common to all service units)	09/2019	Yes	Yes

Paratransit Eligibility Specialist	09/2019	Yes	Yes
Special Services Customer Care Administrator	02/2017	Yes	Yes
Special Services General Manager	09/2014	Yes	Yes
Senior Office Specialist – Special Services BU	12/2015	Yes	Yes

*Job descriptions have not been updated in five years.*

### **Cause**

Not applicable

### **Effect**

- Accurate and complete job descriptions are essential to management for the following reasons:
  - Establishing roles and responsibilities, which is a key component of formal governance.
  - Setting and enforcing expectations with employees.
  - Job descriptions are a primary input to determining employee pay. Inadequate pay can lead to staffing shortages.
  - Ensuring that management has formally accounted for key tasks.

### **Recommendation**

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

### **Management Response and Action Plan**

Management agrees with the finding. Some jobs are shared by multiple service units and may need to be looked out collectively by all service units. Management will perform the following corrective actions: 1. Review job descriptions by Jan. 1, 2026. 2. Complete updates by Feb. 15, 2026, and forward to HR. The root cause of this situation is that UTA doesn't have a formal schedule for job description reviews; in practice, job descriptions are updated as new individuals are hired into roles.

### **Responsible**

Special Services General Manager

### **Target Completion Date**

April 1, 2026

**Finding 25-05-03 Scheduling Call Time Goals**

**Risk Level: Low**

### **Criteria**

Special Service Operations management creates call time goals informed by federal recommendations. Current internal goals include fielding and addressing all calls under two minutes.

### **Condition**

Over the reporting period 25% of calls coming in to the scheduling team go over two minutes. Noteworthy, data shows that average hold time and calls over two/five minutes have steadily increased throughout the reporting period.

### **Cause**

Ridership of Special Service Operations has increased throughout the reporting period. Higher ridership requires staff to schedule more paratransit rides. Additionally, management noted that scheduling team staff has been negatively affected due to long-term absences of staff.

### **Effect**

- Longer scheduling calls may create back up to calls waiting to be fielded.
- Longer hold times may decrease customer satisfaction.

### **Recommendation**

IA recommends that management reevaluate scheduling staffing needs to assess if increased staff would shorten average call hold times.

IA recommends that management reevaluate scheduling call time goals. If maintaining the current goal of fielding all calls under two minutes is determined to be practicable, IA recommends that Management provide targeted training and oversight to reduce call times.

### **Management Response and Action Plan**

Management disagrees with the need to limit call times since reservation agents must address complex trip requests and or limitations in caller communication due to their disability. These conditions are beyond reservation agent control. FTA does not establish a guidelines for call length. UTA has established hold time objectives that are in accordance with FTA guidance and those are continually monitored and measured in our daily standup report. Management acknowledges reduced staff during the Audit observation period which may have influenced hold times. Management will perform the following corrective actions: 1) We have hired new staff; three are in training to complete by Jan. 1, 2026. 2) Repurpose existing role to create Supervisor role in Quality and Assurance by December 31, 2025. 3) Review hold time metrics to ensure they are accurate by Nov. 1, 2025. 4) Collect and monitor data to verify performance levels by April 1, 2026.

### **Responsible**

Manager Special Services Operations Support

### **Target Completion Date**

April 1, 2026

**Finding 25-05-04 Scheduling Process Formalization**

**Risk Level: Low**

### **Criteria**

UTA Board of Trustees Policy No. 1.1 “Process for Establishing Board Policies”, II.D.1. states,

*All policies and procedures including Board policies, UTA Policies, and Standard Operating Procedures will be reviewed for revision or confirmation as required by statute at least every three years.*

### **Condition**

Currently, the scheduling process exists as informal work instruction and heavily relies on the expertise and institutional knowledge of staff.

### **Cause**

Management is currently involved in making changes to the scheduling process using the Workforce Management application so that information between the TRAPEZE scheduling system and the Operations Work Assignment and Tracking System (OWATS) communicate more effectively.

### **Effect**

- Lack of formalization of how to create daily routes could lead to a loss of institutional knowledge.

### **Recommendation**

IA recommends that after the successful implementation of Workforce Management that the updated scheduling process be formalized as a Standard Operation Procedure.

### **Management Response and Action Plan**

Management agrees with the finding and will perform the following corrective actions: 1) Create a standard operating procedure that documents the process of completing the Paratransit next-day trip assignments with driver assignments by April 1, 2026. Root cause: this is a standard work assignment that has been completed without formalization or documentation.

### **Responsible**

Manager of Service Delivery and Manager Special Services Operations Support

### **Target Completion Date**

April 1, 2026

**Finding 25-05-05 Employee Licensing Records**

**Risk Level: Low**

### **Criteria**

The Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) publishes an integrated framework to guide organizations on best practices for internal controls. Component Three: Control Activities, Principle 13 of this framework, states:

*The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.*

COSO further guides:

*Maintains Quality throughout Processing - Information systems produce information that is timely, current, accurate, complete, accessible, protected, and verifiable and retained. Information is reviewed to assess its relevance in supporting the internal control components.*

### **Condition**

UTA does not maintain records of operator licensure. Upon hiring, HR staff enter new employee information into Utah Department of Transportation (UDOT) motor vehicle records as part of the onboarding process, which allows UDOT to monitor any changes to employee driving records. UTA relies on the monthly reports provided by UDOT to show any upcoming expirations of UDOT medical cards and any changes made to driver licenses of employees due to violations or expirations. People Office staff review these reports and send notifications to

separate Business Units to have any listed employees schedule a time to renew their qualifications. However, HR does not keep a record of who has been entered into the monitoring system.

### **Cause**

The People Office has relied on the current process of manually inputting and removing employee documentation from UDOT motor vehicle records for over seven years. Management shared that inputting non-revenue employee data into the system was an update made to the onboarding process in 2019. Management has trusted that the process would capture any data omission issues as an employee goes through the hiring, training, and qualifications process within the different areas of the organization. Management additionally shared that they have trusted the maintenance of the motor vehicle records and scheduled reports released by UDOT.

### **Effect**

IA is unable to confirm that all employees are actively being monitored. A lack of having this information exposes the risk of an individual employee being absent from monitoring because of accidental entry omission. Absence of records makes it impossible to reconcile the list of current operators to the list of operators being monitored through motor vehicle records.

### **Recommendation**

IA 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.

### **Management Response and Action Plan**

Management disagrees with the statement that they do not keep a record of which employees have been entered into the UDOT system; these records are currently stored in Laserfiche. The root cause identified by Management is that employee records in Laserfiche of who is entered into the UDOT system and UDOT motor vehicles records are currently inaccessible to Operations service units and this prohibits effective records validation, monitoring, and proactive employee notification of license expirations. In response, the People Office will lead a group of Operations service unit SMEs in completing the following corrective action: Management will document in an Agency SOP and implement a new process for Operations service unit SMEs to have access to systems and/or reports that enable them to regularly validate that all employees are entered into the UDOT system, monitor upcoming license expirations, and proactively notify employees of upcoming expirations. To complete this corrective action within 12 months of the finding, Management will meet the following milestones: 1) By Aug. 30, 2025, the People Office will inform the Board's contractor leading Agency Policy/SOP updates of this work. 2) By Aug. 30, 2025, the People Office will contact Operations service managers to identify SMEs who will be responsible for partnering with the People Office to design the new process. 3) By Sept. 30, 2025, the People Office will invite the SMEs to twice-monthly meetings to develop the new process. 4) By Oct. 30, 2025, the People Office will begin twice-weekly corrective action meetings with SMEs. 5) By March 30, 2026, the People Office and SME group will amend a current Agency SOP to include a new process for accessing, validating, monitoring and monitoring employee motor vehicle records and proactively notifying employees of approaching record expirations. 6) By June 30, 2026, the Operations service unit SMEs will have performed three months of the new process.

### **Responsible Individual(s)**

Talent Acquisition Supervisor

### **Target Completion Date**

June 23, 2026



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 9/22/2025

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director Internal Audit  
**PRESENTER(S):** Mike Hurst, Director Internal Audit  
Viola Miller, Chief Financial Officer

**TITLE:**

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**Purchase Card Program Audit (25-03)**

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**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Informational report for discussion.

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**BACKGROUND:**

The 2025 Internal Audit Plan, approved by the Audit Committee on March 10, 2025, included an audit of UTA's purchase card program. The audit topics included governance, program compliance, and transaction testing.

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**DISCUSSION:**

Internal Audit will report on observations and recommendations from the audit.

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**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

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## **Purchase Card Program Audit**

**25-03**

**August 26, 2025**

Contains sensitive security information that should not be publicized. Such information is classified as Protected pursuant to Utah Code 63G-2-106 and 63G-2-305(12). Such information may not be released publicly without appropriate authorization. This information has been redacted for public release.

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## Rating Matrix

Descriptor	Guide
<b>High</b>	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
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<b>Low</b>	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. These matters should be subject to agreed remedial action and further evaluation within twelve months.

## Distribution List

Title	For Action <sup>1</sup>	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Financial Officer	*		*
Director of Supply Chain	*		*

<sup>1</sup>For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit finding.

## Executive Summary

### Introduction

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The Utah Transit Authority (“UTA”) Audit Committee directed the Internal Audit department (“IA”) to conduct a performance audit over UTA’s Purchase Card (P-Card) Program. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025.

### Background and Overview

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UTA established Policy 02.01 Spending Authority to regulate purchasing practices and ensure cost-effective spending. Under this policy, department staff must use a UTA-issued Purchasing Card (P-Card) for transactions under \$5,000 when vendors accept credit card payments without added fees. The policy identifies the P-Card as the preferred payment method for these low-dollar purchases to promote efficiency and reduce administrative burden.

To support this program, UTA developed and implemented UTA Agency SOP No. AGCY.02.01 Purchase Card (“P-CARD”) Standard Operating Procedure (SOP), which defines responsibilities, procedures, and limitations for P-Card use. The SOP designates each cardholder as a purchasing agent and requires full adherence to all applicable UTA, State, and Federal procurement regulations. It reinforces accountability by requiring cardholders to understand and comply with related policies. Violations may result in card revocation, disciplinary action up to termination, and possible legal consequences.

Through the P-Card program, the UTA seeks to streamline low-dollar procurement, reduce administrative overhead, and ensure appropriate oversight. The program manages an annual spend in excess of \$13,500,000, with an average monthly spend of approximately \$1,125,000. Proper oversight requires cardholder diligence as well as thorough review by both transaction approvers and budget approvers. This internal audit evaluated the program’s effectiveness and its compliance with Policy 02.01 and the Purchasing Card Standard Operating Procedures.

### Objectives and Scope

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IA developed the audit objectives and scope based on planning procedures that included discussions with management and evaluations of risk and fraud exposure. IA set the audit period as September 1, 2021, through February 28, 2025. The audit focused on the following areas:

1. Governance

IA reviewed policy and SOP documentation and interviewed management and staff responsible for the program. The objective was to assess whether governance structures support proper administration of the P-Card program.

2. Program Compliance

IA reviewed training documents to determine if training aligns with policy and the SOP. Testing included interviews and verification of training completion for P-Card holders and program managers. We also reviewed transaction documents and records to ensure that SOP and general accounting practices were followed.

### 3. Transaction Testing

IA performed data analysis on the purchase transactions made throughout the audit period, and the results of these analytics are shared in the summary below. IA tested specific transactions to evaluate compliance with UTA policy and the SOP. Testing included:

- Shipment of goods to non-UTA addresses (specifically eBay, Amazon)
- Meals and travel expenses
- Accuracy of transaction descriptions, receipt uploads to US Bank, and manager approvals
- Accuracy of data transfers from US Bank to UTA's accounting system (JDE)

## Summary

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### 1. Governance

IA reviewed relevant policy and SOP documents and verified that all documents pertaining to the governance of the program have been updated and maintained as required by UTA policy. We also conducted interviews with management and staff responsible for administering the program and found that they have adequate authority to conduct and oversee the p-card program. Staff also demonstrated a clear understanding of their roles, and the documentation we reviewed aligned with the program goals and internal controls. We found that governance practices supported accountability and oversight of p-card activities.

### 2. Program Compliance

IA reviewed training materials and confirmed that required training was in alignment with UTA policy and the SOP which guides program objectives. We also tested whether training was completed by P-Card holders and relevant managers and found that there are some opportunities for improvement in the training processes, these concerns are addressed in the recommendations below. Additional compliance insights were obtained through transaction testing described below.

### 3. Transaction Testing

IA conducted an extensive review of P-Card transactions to identify trends and test for compliance:

IA ran analysis focused on the types of expenses paid on p-cards during the audit period. To accomplish this, we analyzed all spending transactions during the audit period and based the analysis on the Merchant Category Code (MCC). Some judgement was used to determine if certain MCC's were similar enough to combine into one common MCC Description. Our purpose was to set context to what types of spending p-cards are used for at UTA. We do not draw any conclusions or recommendations based on this analysis. Results of the ten largest expense types are shown below in Table 1.

**Table 1. The top ten expense types paid for with a P-card**

	MCC Descriptions	Total Spending by MCC Group	Percentage of Total Spend
1	AUTO SERVICING	\$ 7,424,735.93	16.47%
2	WHOLESALE INDUST SUPP	\$ 6,249,087.17	13.86%
3	RESTAURANTS & FOOD	\$ 3,219,133.35	7.14%
4	BOOK STORES (AMAZON WEBSITE)	\$ 2,020,171.33	4.48%
5	CLOTHING & UNIFORM	\$ 1,967,041.52	4.36%
6	UTILITIES-ELECTRIC, GAS, WA	\$ 1,880,039.88	4.17%

7	BUSINESS SERVICES -OTHER	\$ 1,528,278.11	3.39%
8	AUTO & TRUCK DEALERS, NEW	\$ 1,061,148.47	2.35%
9	WHOLESALE COMMERCIAL EQUIPMENT	\$ 1,036,765.18	2.30%
10	HOTELS	\$ 963,370.89	2.14%

Division-Level Spending: IA analyzed spending by division, highlighting the ten highest-spending divisions. The top five divisions aligned with those primarily responsible for maintaining infrastructure and vehicle fleets—an expected result given UTA’s large operational footprint. Results of the ten highest division spending is shown below in Table 2.

**Table 2. Ten highest division spending utilizing a p-card**

	Division Number	Division Name	Total Spend during the audit period	Percentage of Total Spend
1	3800	FACILITIES	\$ 8,227,669.59	18.26%
2	3100	BUS MAINTENANCE	\$ 5,884,165.69	13.06%
3	7900	VAN POOLS	\$ 3,784,403.34	8.40%
4	4300	LIGHT RAIL VEH MAINT	\$ 1,675,169.41	3.72%
5	4400	MOW - SYSTEMS	\$ 1,631,845.43	3.62%
6	4600	COMMUTER RAIL VEHICLE MAINT	\$ 1,382,408.20	3.07%
7	6000	PUBLIC SAFETY	\$ 1,379,868.50	3.06%
8	2100	BUS OPS	\$ 1,289,856.89	2.86%
9	5500	SUPPLY CHAIN - PURCHASING	\$ 1,118,337.83	2.48%
10	4310	RAIL FLEET SUSTAINABILITY	\$ 1,112,752.56	2.47%

IA tested a purchase transaction made throughout the audit period to verify the following:

- [REDACTED]
- IA also identified approximately 450 instances when meals and travel purchases were made outside the outlined policies in the SOP which are explained in the recommendations below.
- While reviewing purchase transactions for detailed descriptions, receipt uploads, and manager approvals as outlined in policy IA identified the following issues:
  - 85,068 transactions (62%) lacked the required description field
  - 4,412 transactions were missing receipt uploads to US Bank
  - 3,039 transactions lacked documented manager approvals
- IA also confirmed the accuracy of data entry from US Bank data into UTA’s accounting system, JD Edwards and found no concerns.

While IA identified several areas for improvement, the audit also highlighted numerous strengths, best practices, and responsible stewardship of the P-Card program. The program overall is effectively managed. IA appreciates the cooperation and responsiveness of management and staff throughout this audit.

## Attachment A: Detail of Recommendations

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Finding 25-03-01

Transaction

Risk Level: Medium

### Criteria

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 3 states,

*Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.*

Further context is provided when the principle also states:

*Limitation of Authority – Authority empowers people to act as needed in a given role, but it is also necessary to define limitations of authority so that:*

- Delegation occurs only to the extent required to achieve the entity's objectives.*
- Duties are segregated to reduce the risk of inappropriate conduct in the pursuit of objectives, and requisite checks and balances occur from the highest to the lowest level of the organization (e.g. defining roles, responsibilities, and performance measures in a manner to reduce any potential for conflicts of interest)*

### Condition

[REDACTED]

### Cause

[REDACTED]

### Effect

[REDACTED]

### Recommendation

[REDACTED]





**Management Response and Action Plan:**



**Responsible:**

Director of Supply Chain  
Sr Office Specialist – Supply Chain

**Target Completion Date:**

9/30/2025

Finding 25-03-02	Open P-Card Account for a former employee	Risk Level: Medium
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**Criteria**

UTA Agency SOP No. AGCY.02.01 Purchase Card (“P-Card”) SOP, 3.D.1. states,

*Termination, Retirement, Administrative Leave, or job position change and P-Card is no longer needed. Upon notice of one of these changes, all P-Cards must be turned in to Human Resources or the Cardholder's manager, and notification email sent to the P-Card Administrator to deactivate the Card. The P-Card Administrator will review pending transactions to ensure no personal charges are outstanding to which the Cardholder is responsible for.*

**Condition**

IA found that a former UTA employee still had an active P-Card account in US Bank. We verified that no purchases were made with the open account after the employee left UTA employment.



### **Cause**

A breakdown of communication occurred between management and Procurement resulting in the account not being deactivated in the US Bank system.

### **Effect**

- UTA was exposed to unnecessary financial and reputational risk due to an open P-Card account that could have been misused after the employee's departure.
- This breakdown in the process creates gaps in internal controls and could lead to undetected misuse in the future if not addressed.

### **Recommendation**

1. 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.
2. Management should consider working with the People Office to automate notifications through the HR system to immediately flag personnel changes that require card deactivation.
3. The P-Card Administrator should periodically reconcile or create a tracking mechanism to ensure all active cardholders are current employees.

### **Management Response and Action Plan:**

Agree

The People Office (HR) has established procedures, including a checklist, to ensure collection of UTA property when an employee separates from the agency. In addition, HR issues an automated email notification to multiple stakeholders upon termination.

In this case, the employee terminated on 7/7/2024, and HR collected the P-Card as part of the exit process, eliminating any risk of misuse. While a termination email was sent, there was a brief gap in coverage as the outgoing P-Card Administrator had just left UTA, and notifications had not yet been redirected to the acting administrator.

To address this, we will immediately reconcile all active employees against existing cardholder accounts. Moving forward, we will also partner with HR to implement a quarterly review process comparing active employees with open U.S. Bank accounts to confirm that all necessary steps are completed and accounts are properly deactivated.

### **Responsible:**

Director of Supply Chain

Sr Office Specialist – Supply Chain

### **Target Completion Date:**

9/1/2025

Finding 25-03-03

Risk Level: High

### **Criteria**

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 10

*Selects and Develops Control Activities - The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.*

Further, Principle 10 states:

*Transaction controls are the most fundamental control activities in an entity since they directly address risk responses in the business processes in place to meet management's objectives. Transaction controls are selected and developed wherever the business process may reside.*

**Condition**

[REDACTED]

**Cause**

[REDACTED]

**Effect**

[REDACTED]

**Recommendation**

[REDACTED]

**Management Response and Action Plan:**

[REDACTED]

[REDACTED]

**Responsible:**

Director of Supply Chain  
Sr Office Specialist – Supply Chain

**Target Completion Date:**

12/31/2025

Finding 25-03-04

Risk Level: Medium

**Criteria**

[REDACTED]

[REDACTED]

**Condition**

[REDACTED]

**Cause**

[REDACTED]

**Effect**

[REDACTED]

**Recommendation**

[REDACTED]

**Management Response and Action Plan:**

**Responsible:**

Director of Supply Chain  
Sr Office Specialist – Supply Chain

**Target Completion Date:**

12/31/2025

**Finding 25-03-05   Cardholders & Approvers did not complete the required training   Risk Level: Low**

**Criteria**

UTA Agency SOP No. AGCY.02.01 Purchase Card (“P-Card”) SOP, 3.B.2. states,

*Prior to receiving a P-Card, the Cardholder must complete the P-Card training and test. This will be assigned to your LMS training requirements once your P-Card form has been approved.*

**Condition**

IA performed testing to determine if p-card holders and transaction approvers had completed the basic training as outlined in policy. IA identified 137 individuals involved in the P-Card program who had not completed basic P-Card training in the most recent calendar year, including:

- 39 active cardholders with no training completion in the past year,
- 61 cardholders with no training record during the audit period, (though they may have completed it prior).
- 37 transaction approvers with no training record during the audit period.

**Cause**

UTA’s policies and SOP do not define how often p-card holders are required to complete the training. Although the Learning Management System (LMS) suggests annual training, employees may believe it is only required at the time of card issuance.

**Effect**

- Employees may lack current knowledge of P-Card rules, increasing the risk of policy violations, improper use, or weak controls in the transaction approval process.
- Without routine and enforced training, the organization weakens its ability to hold individuals accountable for internal control responsibilities.

- UTA may face reputational or financial risk due to inconsistent application of purchasing policies or errors in transaction oversight.

### **Recommendation**

1. Update policies and SOPs to clearly mandate annual training for all cardholders and approvers.
2. Identify cardholders and approvers who have not completed training in the past year and require completion.

### **Management Response and Action Plan:**

Agree

We have obtained a list of all cardholders who have not completed their annual training from the LMS Technical Coordinator. These individuals will be immediately notified by email and given 30 days to complete the requirement. Cardholders who do not comply within that timeframe will have their P-Cards deactivated.

The annual training requirement is automated in LMS and assigned to every cardholder. Moving forward, the P-Card SOP will be updated to state that failure to complete annual training by the due date will result in deactivation. Additionally, we will implement a monthly review of LMS training records to ensure compliance and promptly deactivate cards for any cardholders who have not met the requirement.

### **Responsible:**

Director of Supply Chain

Sr Office Specialist – Supply Chain

### **Target Completion Date:**

12/31/2025

**Finding 25-03-06**

**Training for transaction approvers does not exist**

**Risk Level: Low**

### **Criteria**

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 4 states,

*The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.*

Principle 4 further elaborates regarding employee development,

*Train – Enable individuals to develop competencies appropriate for assigned roles and responsibilities, reinforce standards of conduct and expected levels of competence for particular assignments, tailor training based on roles and needs, and consider a mix of delivery techniques, including classroom instruction, self-study, and on-the-job training.*

### **Condition**

IA found that 135 active employees are P-Card transaction approvers, 55 of whom are not P-Card holders. These individuals access the US Bank system solely to approve transactions yet receive no role-specific training outlining their responsibilities.

### **Cause**

Management has not developed or assigned a role-specific training program for transaction approvers. The current training infrastructure focuses solely on cardholders, assuming overlap between the two roles, and lacks a process to identify and train approvers who are not cardholders themselves.

### **Effect**

- IA identified 37 transaction approvers who have never completed any P-Card Basic training.
- Improper or inconsistent approvals may occur due to misunderstanding of policy requirements, transaction review steps, or documentation expectations.
- Increased risk of policy violations going undetected due to lack of understanding of red flags, exceptions, or compliance thresholds.
- Accountability gaps may form, as approvers may be unaware of the full extent of their responsibilities in the control structure.
- Effectiveness of oversight may be reduced, which can impact the strength of the internal control environment across purchasing processes.

### **Recommendation**

1. Develop and deploy a targeted training module for transaction approvers. This training should cover review responsibilities, documentation requirements, and policy compliance.
2. 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.
3. Require periodic refresher training for all transaction approvers, regardless of P-Card holder status.
4. Review and update internal policies to reflect the need for distinct training requirements for different user roles within the P-Card system.

### **Management Response and Action Plan:**

Agree

We will collaborate with the Corporate Instructional Designer to develop formal training for approvers, ensuring they have a clear and consistent understanding of their responsibilities in the P-Card process. This training will be assigned to all approvers through the LMS, with completion tracked for accountability.

In addition, an annual refresher training requirement will be established, and both the initial and refresher training requirements will be incorporated into the P-Card SOP to reinforce compliance and maintain consistency across the program.

### **Responsible:**

Director of Supply Chain

Sr Office Specialist – Supply Chain

### **Target Completion Date:**

12/31/2025

**Criteria**

UTA Agency SOP No. AGCY.02.01 Purchase Card (“P-Card”) SOP”, 3.E.4.k. states,

- 1. Business meals must include two or more employees.*
- 2. The purpose of the meeting and names or group of attendees must be included in the transaction’s description line.*

The policy further clarifies in E.5 stating,

*Unauthorized Purchases include but are not limited to:*

- (a) Individual meals for employees working within the agency’s service area.*
- (c) Personal meals and incidentals while traveling. (per-diem should be used unless there is no other reasonable alternative, but in any event, expenses may not be covered by both per-diem and use of the P-Card).*

**Condition**

IA identified over 423 meal-related transactions that were less than \$18, a judgmentally selected threshold to identify possible individual meals. These may include:

- Meals likely purchased for a single individual
- Transactions which may lack valid business justification
- Instances where meals were purchased in addition to per diem allowances

**Cause.**

Cardholders may not fully understand or recall specific policy requirements related to meal purchases.

**Effect**

- The organization risks misuse of public funds and potential policy violations, which may result in reputational damage or loss of public trust.
- Lack of consistent enforcement undermines internal controls and may encourage non-compliant behavior.
- Fraud, waste and abuse may occur.

**Recommendations**

1. Reinforce meal policy requirements through targeted refresher training for all P-Card holders and transaction approvers, emphasizing documentation expectations for meals.
2. Strengthen documentation guidance by providing a template for meal purchase descriptions that includes fields for attendees, purpose, and justification.
3. 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.

### **Management Response and Action Plan:**

Agree

We will develop a mandatory checklist template to document required information for meal purchases. While the U.S. Bank system has limited customization capabilities and cannot accommodate an embedded template or checklist, we will create an offline template to be attached to transactions in US Bank. Monitoring and verification of compliance will therefore be conducted manually.

Management will adopt Internal Audit's "potential" single meal identification method and incorporate it into the Administrator's monthly close process. We will send a reminder email to all cardholders reinforcing this policy. In addition, cardholder and approver LMS training will be updated to emphasize requirements related to food purchases.

### **Responsible:**

Director of Supply Chain

Sr Office Specialist – Supply Chain

### **Target Completion Date:**

12/31/2025

**Finding 25-03-08 Purchase transactions lack detailed information required by policy Risk Level: Low**

### **Criteria**

UTA Agency SOP No. AGCY.02.01 Purchase Card ("P-Card") SOP, 3.G. states,

*At the end of each month Reconcilers must Reconcile the Card statement and approve each transaction. The online statement reflects the transaction date, merchant name and the total amount of each purchase. The Reconciler has 8 calendar days total to review and submit their statement.*

The policy further instructs p-card holders in the same paragraph by stating,

*To Reconcile the account:*

- 1. Log on to the commercial issuing bank's online website.*
- 2. Verify the billings are for legitimate transactions made by the Cardholder and each of the charges is correct.*
- 3. Add a detailed description for each purchase and verify that the account code charged is correct. Be as detailed as possible in the description and include any associated project names. "Miscellaneous" is not an acceptable description.*
  - a. Meals for meetings or events must include names of the employees or group, and the purpose of the meeting or event.*
- 4. Attach a legible copy of each receipt.*
- 5. Select the correct business unit Approver for each transaction.*

### **Condition**

IA reviewed purchase transactions for compliance with description, receipt, and approval requirements. IA identified the following non-compliance with documentation requirements:



- 85,068 transactions (62% of all reviewed) lacked required transaction descriptions
- 4,412 transactions were missing receipts
- 3,039 transactions had no recorded approvals in US Bank.

### **Cause**

Management has not implemented system-based enforcement of required fields or provided adequate monitoring. Cardholders and approvers may not understand reconciliation requirements, and the system allows submission of incomplete transactions without triggering corrective workflows.

### **Effect**

- The organization's financial records lack sufficient detail to support transaction legitimacy or business purpose.
- Lack of detailed descriptions and receipts impairs the ability of transaction reviewers and approvers in assessing compliance or detecting inappropriate purchases.
- Incomplete or unapproved transactions weaken internal controls and may violate purchasing policy.
- Approvals that do not occur timely—or at all—create gaps in the accountability structure and increase the risk of fraud, waste and abuse.

### **Recommendation**

1. Update training materials and procedures to emphasize the importance of complete descriptions, supporting documentation, and timely approvals.
2. Enforce system validation rules that require detailed descriptions, receipt uploads, and selection of an approver before a transaction can be submitted for review.
3. Develop automated reminders and escalation protocols for reconcilers and approvers who fail to complete tasks within the 8-day reconciliation window.
4. Implement periodic compliance audits to identify users with repeat deficiencies and refer issues to department leadership for follow-up.
5. Restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining.

### **Management Response and Action Plan:**

Agree

We will update the P-Card SOP, training materials, and Approver training to emphasize the importance of entering complete purchase descriptions, attaching supporting documentation, and ensuring timely approvals during the reconciliation process.

To strengthen compliance, we have worked with U.S. Bank to remove the system's auto-population of cost center numbers in the description field, ensuring that users must now enter a proper purchase description.

We will work with U.S. Bank where possible to activate automated reminders and escalation protocols for reconcilers and approvers who do not complete their tasks within the 8-day reconciliation window. These reminders will be applied consistently across all cardholder accounts.

The P-Card SOP already specifies that accounts not reconciled or approved for two consecutive months will be deactivated, with reactivation requiring CFO approval. We will continue to enforce this policy and, where necessary, restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining.

Finally, we will continue conducting periodic compliance audits to identify repeat deficiencies. Any issues identified will be referred to department leadership for follow-up and corrective action.

**Responsible:**

Director of Supply Chain

Sr Office Specialist – Supply Chain

**Target Completion Date:** 12/31/2025



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 9/22/2025

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**TO:** Board of Trustees  
**FROM:** Jay Fox, Executive Director  
**PRESENTER(S):** Carlton Christensen, Chair of Board of Trustees

**TITLE:**

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**Strategy Session to Discuss Topics as Defined in Utah Code 52-4-205 (1):**  
- Deployment of security personnel, devices, or systems

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**AGENDA ITEM TYPE:**

Closed Session

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**RECOMMENDATION:**

Approve moving to closed session in accordance with Utah Code 52-4-205 (1).

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**BACKGROUND:**

Utah Open and Public Meetings Act allows for the Board of Trustees to meet in a session closed to the public for various specific purposes.

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**DISCUSSION:**

The purpose of this closed session is to discuss:

- Deployment of security personnel, devices, or systems.

*See Utah Code 52-4-205 (1) (f)*