UTA

INTERNAL AUDIT

Open Audit Recommendation Report

November 18, 2025

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Rating Matrix

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

Distribution List

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

[1]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

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

Objectives and Scope

IA produces an updated edition of this report for each Audit Committee meeting to inform that body of the status of open recommendations (Appendix A and Appendix B) and to document recommendations that have been closed (Appendix C) since the last edition of the report. IA published this edition for the December 15, 2025, Audit Committee to document follow-up activities since the Audit Committee meeting that was held on September 22, 2025.

Executive Summary

Management has made significant progress on open issues since the last Audit Committee meeting. 12 open issues were addressed and are now closed, see Appendix C for details. Especially noteworthy are issues closed from a 2022 audit on UTA's Support Fleet. That team continues to show growth towards a robust control environment. The Procurement team addressed an issue from a 2024 audit by routing conflict-of-interest forms to the Ethics Officer for review. This is a strong practice that will ensure collaboration between the Procurement department and Ethics Committee on important ethical issues that may arise in procurements.

Additionally, as of publishing this report two open issues are submitted for change and management is gathering evidence for two other issues. Executive level management has recently taken a more active role in managing issues and working with their departments to address them. This focus accounts for the notable momentum reflected in this report. They have empowered ERM to act as their liaison between IA. This has improved efficiency and effectiveness and provides management with a resource to responsibly address their open issues.

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-20-07-03 Project Management Policy	Open	High	03/31/2026
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-04 Budget Monitoring	Open	Medium	03/31/2026
21-02 Preliminary Assessment: Utilities Management	R-21-02-04 Standard Operating Procedures	Open	Medium	03/31/2026
21-03 Preliminary Assessment of Maintenance of Way Systems	R-21-01 Training Development Resources	Open	High	03/31/2026
21-04 Bus Operations and Safety Preliminary Assessment	R-21-03 External Announcements	Submitted to IA for Change	Medium	03/31/2026
21-04 Bus Operations and Safety Preliminary Assessment	R-21-04 Securement Training	Open	Medium	03/31/2026
21-04 Bus Operations and Safety Preliminary Assessment	R-21-05 Standard Operating Procedures Updates	Open	Medium	03/31/2026
21-06 Preliminary Assessment of Fuel Costs	R-21-06-06 Pre- and Post-Fueling Checklists	Open	Medium	03/31/2026
21-06 Preliminary Assessment of Fuel Costs	R-21-06-08 Fuel Access	Submitted to IA for Change	High	12/31/2025
22-02 Preliminary Assessment of Light Rail Operations	R-22-03 Standard Operating Procedure Updates LR	Open	Low	03/31/2026
22-06 Performance Audit of Support Fleet	R-22-06-2 Support Fleet Policies and Procedures	Open	Medium	03/31/2026
22-06 Performance Audit of Support Fleet	R-22-06-3 Opportunities to Right-Size the Support Fleet	Open	High	03/31/2026
23-02 Preliminary Assessment of the Vehicle Disposal Process	R-23-02-1 Board Approval Over $200k	Open	Medium	03/31/2026
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-1 Required 1099 Forms were not issued	Open	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	Medium	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-1 Safety and Security Procedures	Open	Low	03/31/2026
23-05 Limited Scope Assessment of the Vendor Master File	R-23-05-01 Vendor Master File Process Issue	Open	Medium	12/31/2025
23-11 Recruitment Assessment	R-23-11-B Standard Operating Procedures Recruitment	Open	High	03/31/2026
23-11 Recruitment Assessment	R-23-11-C Key Performance Indicators	Open	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-E Leadership Strategy Sessions	Open	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-G Process Expectations	Gathering Evidence	Medium	03/31/2026
23-11 Recruitment Assessment	R-23-11-J Recruiter Training	Gathering Evidence	Medium	03/31/2026
24-06 Preliminary Assessment of Payroll Process	R-24-06-01 Vacation Sell-back exceeded policy	Open	Low	03/31/2026
25-03 Purchase Card Program Audit	R-25-03-01 Transaction Approval ███████████	Open	Medium	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-02 Open P-Card Account for a Former Employee	Open	Medium	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-03 Approvers ████████████████	Open	High	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-04 Online Purchases ███████████	Open	Medium	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-05 Cardholders & Approvers did not complete the required training	Open	Low	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-06 Training for transaction approvers does not exist	Open	Low	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-07 P-Cards have been used to purchase individual meals	Open	Low	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-08 Purchase transactions lack detailed information required by policy	Open	Low	09/22/2026
25-05 Special Services Operations Audit	R-25-05-01 Standard Operating Procedures Need Reviewed	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-02 Job Description Documents Need Reviewed	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-03 Scheduling Call Time Goals	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-04 Scheduling Process Formalization	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-05 Employee Licensing Records	Open	Low	06/25/2026
25-10 Mount Ogden Bus Maintenance Audit	R-25-10-01 Standard Operating Procedures Need Reviewed	Open	Low	06/16/2026
25-10 Mount Ogden Bus Maintenance Audit	R-25-10-02 Job Description Documents Need Reviewed	Open	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-20-07-03 Project Management Policy	**Risk Level: High**
Audit Committee Report Date: April 19, 2021	**Current Status: Open**

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 submitted a change to the action plan because the control environment has changed significantly and will continue to change significantly. However, the principles of this issue still apply, and management will work towards a solution tailored to the new environment. IA agrees with this approach.

Current Management Status Update:
This control environment continues to evolve. Management is committed to designing controls that meet the principles of this issue. A more detailed action plan will be submitted when drafted.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
3/31/2026

Recommendation R-20-07-04 Budget Monitoring	**Risk Level: Medium**
Audit Committee Report Date: April 19, 2021	**Current Status: Open**

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:
Management submitted a change to the action plan because the control environment has changed significantly and will continue to change significantly. However, the principles of this issue still apply,

and management will work towards a solution tailored to the new environment. IA agrees with this approach.

Current Management Status Update:
This control environment continues to evolve. Management is committed to designing controls that meet the principles of this issue. A more detailed action plan will be submitted when drafted.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
3/31/2026

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: Open**

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:
No update.

Current Management Status Update:
Management has established an FRA Compliance Committee composed of senior leaders all from all departments that are regulated and interface with the FRA and State Safety Oversight, including MOW. The committee is working with a consultant to help conduct a gap analysis and provide recommendations for FRA compliance across functions, with a primary focus on MOW training. Management has completed a Scope of Work and are currently in the procurement process. The project will take approximately four months from notice to proceed as outlined below:
- Task 1 – Project Management (four months)
- Task 2 – Discovery and Gap Analysis (two weeks)
- Task 3 – Implementation strategies (four weeks)
- Task 4 – Training, Staff Development, and Final Report (four weeks)

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

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: Open

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 Standard Operating Procedure.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

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: Submitted for Change

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:
Management submitted the required form to accept the risk. IA requested documentation of statements made by management to justify that decision.

Current Management Status Update:
Management has completed speaker installation on the highest-need vehicles and is accepting the risk until installation is complete.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

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:
The Civil Rights department is working with the Communications department to roll out this training as part of the annual sensitivity training.

Issue Owner:
Chief People Officer

Current Due Date:
3/31/2026

Recommendation R-21-05 Standard Operating Procedure Updates	Risk Level: Low
Audit Committee Report Date: August 23, 2021	Current Status: Open

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:
Management is engaging with the current Fares Policy update process to ensure Operations SOP alignment.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

    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: Open**

*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:
A new Fuel and Fluid Delivery and Unloading Work Instruction has been signed in DocuSign. Management is posting and communicating it to employees.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

Recommendation R-21-06-08 Fuel Access*	**Risk Level: High**
Audit Committee Report Date: November 15, 2021	**Current Status: Submitted for Change**

*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:
Management submitted to close this issue as risk accepted. IA requested documentation of statements made by management to justify that decision.

Current Management Status Update:
No response needed as its current status is "submitted for change".

Issue Owner:
Not applicable.

Current Due Date:
Not applicable.

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:
Management has reconciled the Standard Operating Procedures mentioned in the 2022 TRAX Rulebook with the SOPs posted on SharePoint. Some SOPs are currently in draft form as Management completes updates and locates signed copies.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

G. **22-06 Performance Audit of Support Fleet**

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:
Management reported that the remaining open policy is in the final stages of adoption and is expected January 2026. Upon adoption, IA will document the adopted policy and implemented training procedures. We expect the issue will be closed by the March 2026 Audit Committee meeting.

Current Management Status Update:
Management has completed corrective action and anticipates approval of the Non-Revenue Vehicle Fleet Policy in January 2026.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
3/31/2026

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:
███████████ is implemented on all NRV vehicles and is being used to identify underutilized vehicles. The NRV team has implemented a process requiring owners of underutilized vehicles to submit written rationalizations for maintaining underutilized vehicles to inform NRV fleet right-sizing. This process will be documented by end of quarter 4, 2025. UTA currently has six locations where floating fleet vehicles are being utilized. UTA will review the disposal and auction process.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
3/31/2026

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: Open**

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:
Ownership of corrective action was moved from Capital Services to Finance in November 2025. Finance is creating a process to flag vehicle disposals over $250,000 for Board approval.

Issue Owner:
Chief Finance Officer

Current Due Date:
3/31/2026

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 testing confirmed repeated issues with 1099 compliance for tax year 2024. The issue will remain open until testing confirms accurate 1099 reporting for a tax year.

Current Management Status Update:
A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are drafted to ensure all vendor information is collected to accurately trigger 1099s. They are targeted for implementation by year end.

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 testing confirmed repeated issues with 1099 compliance for tax year 2024. The issue will remain open until testing confirms accurate 1099 reporting for a tax year.

Current Management Status Update:
An IRS Form W-9 Requirements for Claims Settlement SOP and a new 1099 Processing Checklist have been drafted. They are targeted for implementation by year end.

Issue Owner:
Chief Financial Officer

Current Due Date:
12/31/2025

J. **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:

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Current Status from Internal Audit:
No update.

Current Management Status Update:
Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:
Director of Safety and Security

Current Due Date:
3/31/2026

K. 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 the issue. ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ The Accounts Payable Supervisor disagreed with the concern. There has been no communication since.

Current Management Status Update:
A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are drafted to ensure all vendor information is collected to accurately trigger 1099s. The checklist and SOP are targeted for implementation by year end.

Issue Owner:
Chief Finance Officer

Current Due Date:
12/31/2025

L. 23-11 Recruitment Assessment

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.

Current Management Status Update:
Management is updating the Talent Acquisition standard operating procedures to align with Workday processes and to reflect the increasing maturity of Service Level Agreements.

Issue Owner:
Chief People Officer

Current Due Date:
3/31/2026

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

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

Current Status from Internal Audit:
Management provided evidence of adopting key performance indicators (KPI); however, there were readily apparent issues with them that prevented IA from closing the issue. Examples include unclear responsibility for calculating the KPIs, undefined distribution, undefined definitions of acceptable performance, etc. IA invites management to consider what KPIs are tactically needed and implement them with clear and actionable documentation.

Current Management Status Update:
Talent Acquisition has developed Key Performance Indicators (KPIs) and tools to track them. They are working to refine KPI definitions, monitoring, and reporting.

Issue Owner:
Chief People Officer

Current Due Date:
3/31/2026

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

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

Current Status from Internal Audit:
IA discussed this issue with management. It can be closed when the new leadership team completes the 2026 Strategy One Page.

Current Management Status Update:
Talent Acquisition completed 2024 and 2025 Strategy One Pages and is creating a 2026 Strategy One Page to demonstrate strategic-planning continuity during the current leadership transition.

Issue Owner:
Chief People Officer

Current Due Date:
3/31/2026

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:
Management provided evidence of new artifacts to communicate process expectations to hiring managers, most notably a template for a service level agreement (SLA). IA requested completed examples of the SLAs and was waiting for that documentation as of final drafting of this report on 11/17/2025.

Current Management Status Update:
Talent Acquisition has 1) mapped all processes, 2) developed Desk References for Maintenance and Operations hiring, 3) created a Recruitment Request Form, and 4) documented Service Level Agreements (SLAs). They are gathering evidence that SLAs are tracked and monitored.

Issue Owner:
Chief People Officer

Current Due Date:
3/31/2026

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:
No update.

Current Management Status Update:
Talent Acquisition is gathering evidence of standardized onboarding and recruiter development.

Issue Owner:
Chief People Officer

Current Due Date:
3/31/2026

M. 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 testing of vacation sell-back showed no issues. Management is developing monitoring controls within Workday. The issue can be closed once Workday is implemented and evidence is provided that the monitoring is working.

Current Management Status Update:
Management is implementing an audit in Workday to control vacation sell-back that exceeds policy. Once implementation is complete, Management will monitor the audit for accuracy and enhance the process as needed.

Issue Owner:
Chief Finance Officer

Current Due Date:
3/31/2026

N. 25-03 Purchase Card Program Audit

Recommendation 25-03-01 Transaction Approval ███████████████	**Risk Level: Medium**
Audit Committee Report Date: September 22, 2025	**Current Status: Open**

Recommendation:
1. Implement automated alerts or periodic reviews ████████████████████
2. Establish role-based approval rules within the P-Card system, ████████████ ████████████████
3. ██ ████████████
4. Perform a full access review of all current approvers and cardholders to validate ████████████ ████████████

5. Update P-Card training materials to include explicit instruction on approval routing requirements and restrictions.

Current Status from Internal Audit:
No update.

Current Management Status Update:
Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:
Chief Finance Officer

Current Due Date:
9/22/2026

Recommendation 25-03-02 Open P-Card Account for a former employee	Risk Level: Medium
Audit Committee Report Date: September 22, 2025	Current Status: Open

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.

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management is reconciling all active employees against existing cardholder accounts. They are also implementing 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.

Issue Owner:
Chief Finance Officer

Current Due Date:
9/22/2026

Recommendation 25-03-03 ███████████████	Risk Level: High
Audit Committee Report Date: September 22, 2025	Current Status: Open

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Recommendation:

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Current Status from Internal Audit:
No update.

Current Management Status Update:
Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:
Chief Finance Officer

Current Due Date:
9/22/2026

Recommendation 25-03-04 ███████████████	**Risk Level: Medium**
Audit Committee Report Date: September 22, 2025	**Current Status: Open**

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Recommendation:

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Current Status from Internal Audit:
No update.

Current Management Status Update:
Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:
Chief Finance Officer

Current Due Date:
9/22/2026

Recommendation 25-03-05 P-Card Training	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

Original title was "Cardholders & Approvers did not complete the required training".

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.

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management has obtained a list of all cardholders who have not completed their annual training from the LMS Technical Coordinator. These individuals have been 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, Management 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.

Issue Owner:
Chief Finance Officer
Current Due Date:
9/22/2026

Recommendation 25-03-06 Training for transaction approvers does not exist	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

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.

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management is collaborating 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.

Issue Owner:
Chief Finance Officer

Current Due Date:
9/22/2026

Recommendation 25-03-07 P-Cards have been used to purchase individual meals	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

Recommendation:
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.

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management is developing 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, Management is creating 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 and 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.

Issue Owner:
Chief Finance Officer

Current Due Date:
9/22/2026

Recommendation 25-03-08 Transaction Descriptions Missing*	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

Original title was "Purchase transactions lack detailed information required by policy".

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.

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management is updating 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, Management has 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. Management 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 eight-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.

Issue Owner:
Chief Finance Officer

Current Due Date:
9/22/2026

O. 25-05 Special Services Operations Audit

Recommendation 25-05-01 Standard Operating Procedures Need Reviewed	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

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

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management has established a Standard Operating Procedures working group that is finalizing draft edits of SOPs.

Issue Owner:
Chief Operations Officer

Current Due Date:
6/25/2026

Recommendation 25-05-02 Job Description Documents Need Reviewed	Risk Level: Low
Audit Committee Report Date: September 22, 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:
Special Services managers have been assigned to review job descriptions for their areas of responsibility. Reviews are in progress.

Issue Owner:
Chief Operations Officer

Current Due Date:
6/25/2026

Recommendation 25-05-03 Scheduling Call Time Goals	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

Recommendation:
IA recommends that management revaluate 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.

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management has hired three new staff members and is repurposing an existing role to create a supervisor role in Quality and Assurance. Management also is reviewing hold time metrics to ensure they are accurate and will collect and monitor data to verify performance levels.

Issue Owner:
Chief Operations Officer

Current Due Date:
6/25/2026

Recommendation 25-05-04 Scheduling Process Formalization	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

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

Current Status from Internal Audit:
No update.

Current Management Status Update:
Management is creating a standard operating procedure that documents the process of completing Paratransit next-day trip assignments with driver assignments.

Issue Owner:
Chief Operations Officer

Current Due Date:
6/25/2026

Recommendation 25-05-05 Employee Licensing Records	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

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.

Current Status from Internal Audit:
No update.

Current Management Status Update:
The People Office is leading a group of Operations service unit SMEs in creating an Agency SOP and implementing 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.

Issue Owner:
Chief Operations Officer

Current Due Date:
6/25/2026

P. **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:
Management is in the process of establishing a new quality management function that will guide and support systematic review, revision, and control of documented procedures within operations, maintenance, and public safety. This work includes the deployment of a quality management system designed to elevate procedures, strengthen compliance, and proactively identify/mitigate operational risks.

Action Plan:

- Review the related procedures in collaboration with the Safety Department.
- Prioritize procedures based on regulatory urgency, operational impact, and risk.

- Implement a recurring review schedule aligned with UTA policy and industry standards.
- Deploy a quality management system to support document control and compliance tracking.

Issue Owner:
Chief Operations Officer

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:
Management is initiating a phased effort to update maintenance-related job descriptions, beginning with non-union positions to ensure alignment across modes and consistency in job expectations. Union-represented job descriptions will follow, recognizing that additional coordination with labor partners may be required. This review will ensure essential duties are well-defined, minimum qualifications are accurate, and descriptions reflect the current needs and expectations of each role.

Action Plan:
- Review and update non-union maintenance job descriptions in collaboration with the People Office.
- Coordinate with the People Office to review and update union-represented job descriptions.
- Ensure all updated job descriptions include minimum experience requirements and detailed essential duties.
- Establish a formal review cycle for job descriptions going forward.

Issue Owner:
Chief Operations Officer

Current Due Date:
June 16, 2026

Appendix C: Issues Closed Since Last Report

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: Closed

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 has addressed the audit recommendation by implementing a new capital projects request form that requires submitters to have capital and operating budget estimates for project proposals. Additionally, the form requires screening by the chief officer of the requesting department to vet the realism of the proposed costs.

B. 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: Closed

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:
Management is adequately resourced for present needs.

Recommendation R-22-06-5 Vehicle Use Thresholds*	Risk Level: High
Audit Committee Report Date: December 16, 2024	Current Status: Closed

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:
Management addressed this issue by implementing clearly defined and measurable use thresholds in the Non-Revenue Vehicle Fleet Management Plan. They also adopted a standard operating procedure that outlines a process for vehicle users to receive an exception to this threshold.

Recommendation R-22-06-6 Access to Purchase Card System*	Risk Level: Medium
Audit Committee Report Date: December 16, 2024	Current Status: Closed

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:
Support Fleet management has access to the US Bank system to run reports and retrieve receipts.

C. 23-04 Preliminary Assessment of the Transit Communication Center

Recommendation R-23-04-2 TCC Staffing	Risk Level: Medium
Audit Committee Report Date: March 11, 2024	Current Status: Closed

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:
Management accepted the risk. They are restructuring the dispatch centers in favor of adding additional headcount.

D. 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: Closed

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

Current Status from Internal Audit:
Management has procured a new Humar Resource system, has procured training on the new system, and has formal plans for an orderly implementation.

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

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

Current Status from Internal Audit:
Management has changed the structure of the Talent Acquisition team by adding a supervisor position. Additionally, there is currently an additional specialist position from the 2023 roster reviewed.

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

Recommendation:
- Investigate data validation rules and optimize features in Jobvite.

Current Status from Internal Audit:
The Jobvite software is being phased out in favor of Workday. The recommendation is no longer applicable, and the issue was administratively closed by IA.

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

Recommendation:
- Build structure into Talent Acquisition team communication cadence.

Current Status from Internal Audit:
The Talent Acquisition team has various huddles and team meetings at a regular cadence. Huddles are scheduled twice a week, team meetings are once a month, and supervisor/recruiter meetings are once a month.

Recommendation R-23-11-I Immediate Process Improvements	Risk Level: Medium
Audit Committee Report Date: June 26, 2023	Current Status: Closed

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

Current Status from Internal Audit:
Management set strategic initiatives for 2025. Notable examples include, "Complete Huddle 2x. week" and "Deploy Hiring Manager and New Hire Surveys". This is evidence that management has a culture of continuous improvement.

The issue can be closed. The recommendation, written by a third party, is vague. It is difficult to audit against adopting "quick wins" when the third-party auditor did not define what a quick win would be. The issue can be closed on the basis that management has a culture of continuous improvement.

E. 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: Closed

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:
Management addressed this recommendation by changing the form used in procurements when a potential conflict-of-interest is identified. The form now requires an additional review and signature of the Ethics Officer.

Recommendation R-24-01-02 Procurement Department is Under-resourced	Risk Level: High
Audit Committee Report Date: December 16, 2024	Current Status: Closed

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:
Management addressed this recommendation by converting a contractor position to a full-time employee position. Management will evaluate key performance indicators to determine if the second consultant position should also be converted to a full-time employee position.