



**INTERNAL AUDIT**

## **Vanpool Operations Audit**

**25-02**

**March 9, 2026**

## Table of Contents

Executive Summary	3
Attachment A: Detail of Recommendations	6

## Rating Matrix

Descriptor	Guide
<b>High</b>	Major uncertainties are present. More is unknown than is known. No experience and/or data is available. Structure and resources are not established.
<b>Moderate-high</b>	Many uncertainties are present. Experience and/or data are limited. Structure and resources are incomplete, unproven and/or immature.
<b>Moderate</b>	Some uncertainties are present. As much is known as is unknown. Sufficient experience and data exist but may not be fully utilized. Structure and resources are adequate.
<b>Low-moderate</b>	Minor uncertainties are present. Strong experience and data exist. Structure and resources are well designed and supported.
<b>Low</b>	Little to no uncertainties remain. Significant experience and data exist and are fully utilized. Structure and resources are robust.

## Distribution List

Title	For Action <sup>1</sup>	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Operations Officer		*	*
Special Services General Manager		*	*
Special Services Program Manager	*	*	*
Chief Financial Officer	*	*	*

<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

---

The Utah Transit Authority (UTA) Audit Committee directed the Internal Audit department (IA) to conduct an audit of UTA's Vanpool program. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025.

## Background and Overview

---

The Vanpool operations program is a subdivision UTA's Special Services business unit. The department manages commuter assistance programs, including 511 vanpool and rideshare routes. Key functions include fleet management of over 500 vehicles, oversight of participant contracts, and monitoring program performance.

## Objectives and Scope

---

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

Evaluation of policies and procedure documents, instruction manuals, and job descriptions to assess Vanpool's governance.

### 2. Risk Management

Verification of management's participation in training and surveys from the Enterprise Risk Management department.

### 3. Vehicle Maintenance

Review of vehicle maintenance records to ensure compliance with Vanpool maintenance objectives.

### 4. Customer Experience

IA conducted a survey of Vanpool participants for user feedback to assist management's consideration of potential opportunities for improvement.

### 5. Accounting Practices

Assessment of key controls within the Vanpool Accounts Receivable process, focusing on separation of duties, billing accuracy, revenue and expense booking, and mileage calculations.

The audit period was Jan 1, 2022, through October 31, 2025.

## Summary

---

## **1. Governance**

Three job descriptions that have not been reviewed in the past five years and another with no date listing the last update. 12 standard operating procedures (SOP) have not been reviewed in the past three years. IA recommends that management review and update job descriptions and SOPs and as appropriate, ensuring that all governing documents align and cover business unit key functions.

## **2. Risk Management**

Management has participated in all expected risk management activities with the Enterprise Risk Management department, including the completion of training and risk surveys.

## **3. Vehicle Maintenance**

IA confirmed that vehicle maintenance objectives are being sufficiently met.

## **4. Customer Experience**

We received 342 survey responses from Vanpool participants. Feedback was largely positive with common requested areas of improvement including roadside assistance, availability of Vanpool staff for communication with customers, vehicle maintenance, and vehicle cleanliness. IA provided the results to management for their information and consideration.

## **5. Accounting Practices**

Two software systems are relevant for the Vanpool accounting process. JD Edwards (JDE) is used for the general accounting of revenue and expenses and for billing and recording payments for corporate customers. Accounting department staff are the primary users of this system. Vanpool uses a software called RidePro to calculate, assign and manage the actual routes for all customers. RidePro is also used to invoice and receive payments for PerPerson (individual, non-corporate) customers.

IA documented a lack of separation of duties within RidePro. One Rideshare Accountant creates and edits customer accounts in JD Edwards and RidePro, generates and sends invoices in RidePro, and processes credits and adjustments. Management does not perform regular reviews of account changes, billings, or adjustments. Without compensating controls, the organization increases the risk that errors or improper transactions will go undetected.

We also identified issues within Vanpool's billing accuracy. During testing of Vanpool's corporate customers, IA found that some invoices used outdated rate calculations instead of corporate rates approved by the UTA Board of Trustees (Board). Testing of PerPerson routes also identified significant over- and under-billings compared to Board-approved rates. These errors reflect weak controls over rate implementation and monitoring.

Vanpool calculates monthly route mileage in order to determine a billing tier for each customer. IA recalculated mileage for 25 routes and found that 13 varied by more than two miles, including one variance of 102 miles fewer than recorded. Because mileage drives billing rates, inaccurate route data directly affects revenue. We recommend that management review route mileage and correct any discrepancies detected.

Revenues generated for the PerPerson Vanpool routes are booked into JDE each month using a RidePro revenue report which is then entered into JDE via a journal entry. IA reconciled RidePro collections to revenue recorded in JD Edwards from January 2023 through October 2025. Although most months showed no material variances, July 2024 through January 2025 reflected recurring differences, with the largest exceeding \$69,000. Management did not detect or resolve these variances in a timely manner. Additionally, approximately \$111,000 of expenses was understated because of booking errors made by the Accounting team. We recommend that management address these errors and implement periodic reconciliations to detect future errors.

## Overall Engagement Conclusion

---

Overall, UTA’s Vanpool department has a strong strategic and customer-oriented focus. Governance over the business unit exists, however there are opportunities for improvement by reviewing SOPs and job descriptions for clarity and coverage of all key functions. Vanpool needs to improve monitoring activities for required participant licensing and training program completion. In these areas, the overall significance of the findings in the aggregate is low to moderate.

Related to accounting functions, the lack of separation of duties within the Vanpool department is a significant control weakness and the department needs greater support from the Accounting department. The accounting errors noted are of moderate significance. In these areas, the overall significance of the findings in the aggregate is moderate to high.

### Attachment A: Detail of Recommendations

---

Finding R-25-02-01

Job Description Review

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 Five: Control Environment, Principle 3 of this framework, states:

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

COSO further guides in principle 4:

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

Principle 5 states,

*The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.*

The Points of Focus for Principle 5 clarifies further,

*Management and the board of directors establish the mechanisms to communicate and hold individuals accountable for performance of internal control responsibilities across the organization and implement corrective action as necessary.*

The UTA People Office recommends that managers review job descriptions that are more than five years old.

**Condition**

IA reviewed the job descriptions for Vanpool employees to verify the age of the documents, minimum experience requirements, and job duties are described. Three of the seven job descriptions reviewed have not been updated within the past five years and another job description does not have a date listed indicating when it was last reviewed.

**Table 1. Vanpool Job Description Review Summary**

<b>Job Title</b>	<b>Last Updated</b>
Administrator Maintenance (Vanpool)	No date listed
Special Services Program Manager	02/2023
Senior Office Specialist - Vanpool	05/2022
Vanpool Data and Security Administrator	10/2021
Supervisor of Maintenance (Vanpool)	07/2019
Rideshare Product Representative	05/2019
Accountant-Rideshare	10/2017

**Cause**

Not determined.

**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.
- Create staffing model in line with Vanpool organizational excellence strategic initiatives.

**Recommendation**

1. Management should work with Human Resources to review all job description documents and make necessary updates. Job descriptions should align with all policies and SOPs.

**Management Response and Action Plan**

Management agrees with the finding. Management will perform the following corrective actions: 1. Review job descriptions by May 31, 2026 to ensure alignment with Policies and SOPs. 2. Complete updates by August 31, 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.

**Target Completion Date**

8/31/2026

**Responsible Individual(s)**

Special Services General Manager

<b>Finding R-25-02-02</b>	<b>Standards Operation Procedure Review</b>	<b>Risk Level: Moderate</b>
---------------------------	---	-----------------------------

**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 or a revision schedule adopted by the Board by resolution.*

*The Authority will conduct an external legal review of UTA Policies every three (3) years to assess their sufficiency and compliance with federal and state requirements.*

COSO Component 7: Control Activities Principle 12 states,

*The organization deploys control activities through policies that establish what is expected and in procedures that put policies into action.*

The Points of Focus for Principle 12 further states,

*Management establishes control activities that are built into business processes and employees’ day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.*

*Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.*

**Condition**

IA reviewed the SOP for Vanpool to document tasks, compliance measures, controls, and the age of the documents. 12 of 15 SOPs have not been reviewed within the past three years and the other three are due for review in July 2026.

**Table 2. Vanpool Standard Operating Procedure Review Summary**

Standard Operating Procedure Title	Last Updated
Vanpool Driver Certification and Training	07/2023
Vanpool Complaints	07/2023
Vanpool Incidents and Accidents	07/2023
Rideshare Customer Account Balances	10/2020
Rideshare Fuel Card Administration	10/2019
Vanpool Customer Payment Plans	03/2019
Vanpool Customer Account Balances	12/2018
Grant and Program Performance Reporting	03/2018
Vanpool Customer Contracts	03/2018
Vanpool Minimum Participants	03/2018
Scheduled PM Inspections and Repairs	03/2018
Maintain State of Good Repair (SGR) of Fleet	03/2018
Vanpool Vehicle Asset Locations/Status	03/2018
Vanpool Vehicle Procurement	03/2018

**Cause**

Not determined.

**Effect**

- Outdated operating procedures may be obsolete, unclear, and can decrease business unit effectiveness.
- A lack of formal SOPs may result in inconsistent performance standards and uncompleted tasks.
- Individuals may rely on personal judgement and informal workarounds to fulfill responsibilities without documented and required procedures.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of formal governing documents.

**Recommendation**

1. Management should review all SOPs and make necessary updates. SOPs should align with all policies and job descriptions within the business unit.

**Management Response and Action Plan**

Management agrees with the finding and will take the following corrective actions: 1. Review identified procedures and draft revision submitted by August 31, 2026. 2. Approval by October 1, 2026. Root Cause: No formal review process has been established.

**Target Completion Date**

10/1/2026

**Responsible Individual(s)**

Special Services General Manager

**Finding R-25-02-03**

**RidePro Software Access**

**Risk Level: Mod-High**

**Criteria**

COSO Component Three: Control Activities, Principle 3 states:

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

COSO further guides:

*Management and the board of directors delegate authority, define responsibilities, and use appropriate processes and technology to assign responsibility and [separate] duties as necessary at the various levels of the organization.*

**Condition**

IA documented account access for the RidePro software and found that 12 accounts have 'Admin' access. Admin is the highest level of access within the software making it possible for the user to set up new accounts, edit existing accounts, and set up new software user profiles. This access is appropriate for certain users but is not

needed for all employees in a process with adequate separation of duties. Additionally, five users with ‘Admin’ accounts also have ‘Commuter’ access.

### Cause

Management did not design and enforce role-based access controls within the RidePro management software. Specifically, management granted ‘Admin’ access without formally defining responsibilities, assessing access requirements, or separating duties. Additionally, management did not coordinate access and profile setup with UTA’s Information Technology department.

### Effect

- Unnecessary Admin access increases the risk of unauthorized or inappropriate system changes, including the creation or modification of user accounts and profiles without proper oversight. This condition weakens separation of duties, reduces accountability, and heightens the risk of errors, fraud, or data integrity issues within the RidePro system.
- UTA has the goal of reducing customer complaints by 5%. Without proper data review controls, customers and route data may be inaccurately entered or edited. Inaccurate rider data or billing errors may directly generate complaints.
- UTA employees with ‘Admin’ access who use the Vanpool service have the ability to alter their own records, including billing information.

### Recommendation

Management should strengthen internal controls over access and editing rights for RidePro by:

1. Reviewing all RidePro user access and restrict Admin profiles to only those employees whose job responsibilities require elevated privileges.
2. Coordinate with the Information Technology and Accounting departments to design and implement formal role-based access controls aligned with defined job functions and appropriately separated duties.
3. Management should require supervisory approval for all access changes within the RidePro software.
4. Periodically review user access rights in JD Edwards and RidePro to ensure access aligns with job responsibilities, follows the principle of least privilege, and reflects management’s fraud risk considerations.

### Management Response and Action Plan

Management will alter securities of the Rideshare team to the appropriate levels.

Management will additionally require the Vanpool employees to get supervisor approval for appropriate role access.

Program Manager will conduct an annual review of access rights for Vanpool staff.

### Target Completion Date

3/22/2027

### Responsible Individual(s)

Special Services General Manager

### Criteria

COSO Component Three: Control Activities, Principle 3 states:

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

Further insight from Principle 3 states:

*Duties are [separated] to reduce the risk of inappropriate conduct in the pursuit of objectives, and requisite checks and balances occur from the highest to the lowest levels of the organization (e.g., defining roles, responsibilities, and performance measures in a manner to reduce any potential for conflicts of interest.)*

COSO Principle 8 also states:

*The organization considers the potential for fraud in assessing risks to the achievement of objectives.*

### Condition

IA conducted an interview with management to understand the Separation of Duties (SOD) environment within the Accounts Receivable process for Vanpool. A single Vanpool employee is responsible for creating and editing corporate account information within JD Edwards for corporate customers. The same employee also sends all billings and receives credit and adjustment requests from customers and then processes and makes the adjustments in RidePro.

Management has not implemented compensating controls, such as reviews and approvals, to reduce the risk associated with no separation of duties.

### Cause

Management did not design and implement appropriate separation of duties primarily because of small staff size.

### Effect

- Lack of separation of duties heightens the risk of financial misstatement, larceny, regulatory scrutiny, and reputational damage.
- Separation of duties is also crucial to protect employees from false accusations of misconduct and negative perceptions.

### Recommendation

1. Management should work with the Accounting department to design and implement a system of formal separation of duties.
2. Management should work with the Accounting department to create compensating controls for limitations or situations that prevent full separation. Compensating controls could include:
  - Monitoring activities, such as exception reports for significant changes and adjustments.
  - Trend analysis of credits and write-offs.
  - A recurring and documented management review process that includes evidence of review, remediation of exceptions, and final approval.

**Management Response and Action Plan**

Finance is working with Vanpool to delineate the separation of duties for accounts receivable. This may involve changes to policy, process, and structure within both Accounting and Vanpool.

**Target Completion Date**

6/4/2027

**Responsible Individual(s)**

Chief Financial Officer

<b>Finding R-25-02-05</b>	<b>Corporate and Personal Billing</b>	<b>Risk Level: Moderate</b>
---------------------------	---------------------------------------	-----------------------------

**Criteria**

COSO Component Three: Control Activities, Principle 13 states:

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

COSO further guides:

*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.*

Vanpool rates are established by approval from the UTA Board of Trustees. Current rates were approved July 31, 2024 and became effective December 1, 2024.

**Condition**

IA reviewed a sample of 39 invoices billed to corporate customers to verify that Vanpool was billing correct rates. Nine invoices were not billed correctly. See Table 3 below for details.

**Table 3. Corporate Invoice Billing Errors**

Invoice Number	Invoice Date	Invoiced Amount	Correct Rate	Variance Over/(Under)
795578	2/1/2025	\$635	\$840	(\$205)
796539	7/1/2025	\$435	\$840	(\$405)
796539	7/1/2025	\$1,575	\$1,910	(\$335)
796539	7/1/2025	\$905	\$840	\$65
796539	7/1/2025	\$1,710	\$1,775	(\$65)
796779	8/1/2025	\$435	\$505	(\$70)
796999	9/1/2025	\$435	\$705	(\$270)
796999	9/1/2025	\$435	\$570	(\$135)
796999	9/1/2025	\$505	\$970	(\$465)

IA reconciled actual billing of individual customers (referred to as PerPerson Routes) to amounts that should have been billed based on Board approved rates. This latter figure was calculated by determining the billable amount per customer for each PerPerson Route and multiplying that rate by the number of riders the route had in the month tested. We found significant over- and under-billings. Table 4 below summarizes the aggregate results of our three-month sample testing.

**Table 4. PerPerson Routes Billing Errors**

Month	Count of PerPerson Routes Tested	Count of PerPerson Routes with Billing Variance	Total Billing Variance Over/(Under)
12/2024	256	114	(\$13,448)
02/2025	261	107	(\$17,419)
05/2025	278	79	(\$17,010)
09/2025	284	65	(\$14,575)

**Cause**

Management stated that Vanpool route data has been updated since the rate sheets were implemented, however the static page used to calculate the invoices has not been updated. In addition, management did not perform a sufficient review of billing data to ensure accuracy and alignment with approved rates.

Management did not respond to requests for explanations for the PerPerson Route reconciliation, so precise root cause could not be determined. The most likely cause is that the rates were relatively new for the months sampled. The system used to create invoices may not have been updated to reflect the rate changes.

**Effect**

- Management has a goal to meet budget within 2%. Under-billing customers reduces revenue and management’s capacity to meet budget goals.
- UTA has a goal to achieve a 45% increase in Net Promoter Score by 2030. Incorrect billing can lead to customer disputes and damage UTA’s reputation, decreasing the likelihood of achieving this goal.

**Recommendation**

IA recommends that management implement controls to ensure that customers are accurately billed the Board-approved Vanpool rates. Specific controls could include:

1. Establish a formal review and reconciliation process to verify invoiced amounts against approved rates prior to billing.
2. Periodically review rate tables used in the billing system.

**Management Response and Action Plan**

Management agrees that a reconciliation process should be implemented. Due to staffing limitations it is not possible to reconcile every invoice prior to billing.

1. Management will establish a randomized sample review of monthly invoices to ensure accurate rates prior to billing.
2. Management will annually review rate tables in the billing system.

## Target Completion Date

9/30/2026

## Responsible Individual(s)

Special Services General Manager

**Finding R-25-02-06**

**Inaccurate Route Mileage**

**Risk Level: Low-Mod**

## Criteria

COSO Component Three: Control Activities, Principle 13 states:

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

COSO further guides:

*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

Vanpool rates are divided into mileage tiers and a customer's tier is determined by how many miles their route travels in a month. Internal Audit reviewed a sample of 25 Vanpool routes and recalculated the mileage using Google Maps. Thirteen of the routes had mileage variances greater than two miles, with the highest variance being 102 miles less than the route mileage on record.

## Cause

Management did not respond to requests for comment on the results of this test, so precise root cause could not be determined.

## Effect

- Routes with too high of mileage will cause UTA to overbill customers. This can cause a diminished relationship and reputation with those customers.
- Management has a goal to meet budget within 2%. Incorrect mileage may lead to under-billing which would reduce revenue and management's capacity to meet budget goals.

## Recommendation

1. IA recommends that management review Vanpool route mileage for accuracy.

## Management Response and Action Plan

Management agrees that billing to mileage should be as accurate as possible. In Vanpool staff experience, Google maps is dynamic and the routes selected and applications used have slightly different routing and mileage even on the same roads. The Ridepro software utilizes Google Maps so the software used for auditing is the same.

The Ridepro software also has a built-in safety net for our customers by asking them to confirm their route distance, origin, destination, pick-ups, and drop-offs before submitting their monthly report.

Management has also built in an additional 50 miles to each pricing tier to avoid charging more based on the small distance variance.

Vanpool staff will perform a randomized route and mileage evaluation twice per year.

**Target Completion Date**

2/27/2027

**Responsible Individual(s)**

Special Services General Manager

**Finding R-25-02-07      Vanpool expenses misstated in accounting records      Risk Level: Moderate**

**Criteria**

COSO Component Three: Control Activities, Principle 13 states:

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

COSO further guides:

*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**

IA reconciled Vanpool fuel card expense amounts reported from Laserfiche to the JD Edwards accounting system. The reconciliation covered January 1, 2022, to October 31, 2025. The following variances (rounded) were noted:

- A payment of \$73,435 was coded correctly on January 31, 2022, but was booked into the general ledger a second time on March 2, 2022.
- IA calculated a \$1,078 variance across three transactions in 2024. The exact cause of the difference could not be determined.
- An expense of \$185,418 on July 31, 2025, was incorrectly booked to a different department’s account, causing an understatement of Vanpool’s expenses.

**Cause**

The Accounting department took responsibility for this error, though no cause was apparent. Absent further information, the default root cause for such errors is a lack of management oversight and lack of sufficient training.

**Effect**

Accurate accounting records are essential for management to make accurate operational decisions. These errors represent an understatement of approximately \$111,000 of Vanpool’s expenses. This difference could lead to

management not seeking funding that they need, increasing spending of funds that they don't have access to, fast-tracking investments, etc.

**Recommendation**

1. IA recommends that Accounting correct all material expense misstatements.
2. IA recommends that Accounting implement oversight and/or reconciliation procedures to detect accounting misstatements.

**Management Response and Action Plan**

Finance is working with Vanpool to reconcile the misstated fuel card expenses and provide an improved process going forward. This may involve changes to policy, process, and structure within both Accounting and Vanpool.

**Target Completion Date**

6/4/2027

**Responsible Individual(s)**

Chief Financial Officer

<b>Finding R-25-02-08</b>	<b>Vanpool revenue misstated in accounting records</b>	<b>Risk Level: Moderate</b>
---------------------------	--	-----------------------------

**Criteria**

COSO Component Three: Control Activities, Principle 13 states:

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

COSO further guides:

*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**

IA reconciled collected revenue amounts reported by the RidePro system to the amounts booked in the JD Edwards accounting system. The reconciliation covered January 2023 through October 2025. 22 months had no variance and five more had an immaterial variance. However, from the period of July 2024 through January 2025, each month had variances, the highest being over \$69,000 in January 2025. See table 5 below for details.

**Table 5. RidePro Revenue Variance, July 2024 – January 2025**

Month	Ride Pro Collected Amount	Accounting System Reported Amount	Variance Over/(Under)
07/2024	\$199,671	\$199,944	\$273
08/2024	\$198,999	\$218,827	\$19,828

09/2024	\$196,054	\$197,102	\$1,048
10/2024	\$198,044	\$199,901	\$1,857
11/2024	\$207,115	\$148,096	(\$59,019)
12/2024	\$210,749	\$145,975	(\$64,774)
01/2025	\$222,907	\$153,873	(\$69,034)

**Cause**

The Accounting department took responsibility for this error, though no cause was apparent. Absent further information, the default root cause for such errors is a lack of management oversight and lack of sufficient training.

**Effect**

Accurate accounting records are essential for management to make accurate operational decisions. For example, in this seven-month period approximately \$169,000 of revenue was underreported. This difference could lead to management seeking funding they don't need, reducing spending unnecessarily, delaying or cancelling investments, etc.

**Recommendation**

1. IA recommends that Accounting correct all material revenue misstatements.
2. IA recommends that Accounting implement oversight and/or reconciliation procedures to detect accounting misstatements.

**Management Response and Action Plan**

Finance is working with Vanpool to reconcile the misstated revenue and provide an improved process going forward. This may involve changes to policy, process, and structure within both Accounting and Vanpool.

**Target Completion Date**

6/4/2027

**Responsible Individual(s)**

Chief Financial Officer

<b>Finding R-25-02-09</b>	<b>Document Retention Recommendations</b>	<b>Risk Level: Mod-Low</b>
---------------------------	---	----------------------------

**Criteria**

COSO Component Four: Information & Communication, Principle 13 states:

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

The Points of Focus for Principle 13 further elaborates:

*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 internal control components (emphasis added with bold).*

### Condition

The following recommendations are given as opportunities to improve the Vanpool recordkeeping system.

### Cause

Not determined.

### Effect

When accurate information is not easy to find or provide, management may have trouble reviewing problems, tracking performance, and making timely decisions. This can make it more difficult to improve service reliability, reduce customer complaints, and grow ridership and Vanpool groups.

Incomplete or inaccessible operational data may reduce management's ability to analyze service reliability, mechanical performance trends, and safety incidents, which could affect efforts to achieve 95% reliability, increase miles between road calls, and reduce passenger injuries and Vanpool accidents, as outlined in the Customer Experience objectives.

From an Organizational Excellence perspective, the lack of readily accessible and verifiable information may limit management's ability to effectively track maintenance performance, monitor preventive maintenance completion rates, evaluate driver performance metrics, and identify factors contributing to lost time injuries.

Finally, the current practices for data retention relies heavily on the institutional knowledge of current employees to locate and produce information. The risk of UTA losing this knowledge can be reduced by improving the way Vanpool retains and organizes documentation.

### Recommendation

Management should strengthen information governance practices to ensure relevant operational data is captured, retained, and readily accessible to support internal control activities. Specifically, management should:

1. Establish standard procedures for documenting exceptions and operational decisions.
2. Define data ownership and accountability to ensure responsible personnel maintain and provide requested documentation.
3. Periodically review information quality and accessibility to confirm that data supports management oversight, performance monitoring, and internal control activities.
4. Reconcile the list of driver's licenses on file for Vanpool drivers to the current list of Vanpool drivers.
5. Reconcile training records and ensure that any training documentation gaps or actual uncompleted training is addressed.
6. Work with the Finance department to create standard document and information retention policies for financial records.

### Management Response and Action Plan

Management agrees there is room for improvement in our data governance practices.

Management will create a standard procedure for documenting exceptions and operational decisions.

Management will define data ownership and accountability to ensure responsible personnel maintain appropriate documentation.

Management will work with the ESO office to identify and reconcile any gaps in the driver's license and training records.

Management will work with the Finance and Records departments to create standard document and information retention policies for Vanpool financial records.

**Target Completion Date**

3/12/2027

**Responsible Individual(s)**

Special Services General Manager