



**INTERNAL AUDIT**

## **Environmental Governance Audit**

**25-01**

**November 7, 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		*	*
Acting Chief Capital Services Officer		*	*
Manager Environmental Compliance and Sustainability	*	*	*

<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 governance audit over UTA's Environmental Sustainability. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025.

## Background and Overview

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Governance over UTA's environmental sustainability is directed by the Department of Environmental Sustainability and Projects (DESP) team under the leadership of the Capital Services office. The DESP team manages regular compliance with federal, state, and local environmental laws to ensure UTA is an environmentally sustainable and conscience organization. The team is also responsible for conducting project-based environmental reviews to support the development of UTA infrastructure.

## 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 internal policies, standards of procedure, and job description documents. Additionally, IA documented high priority tasks performed by the DESP team and reviewed task documentation within current governing documents. The high priority tasks reviewed were Industrial Waste, National Environmental Policy Act (NEPA) compliance, Spill Prevention Control and Countermeasures Plans (SPCC), Sustainability, and Stormwater Pollution Prevention Plans (SWPPP).
2. Risk Management  
IA verified management's participation in training and surveys from the Enterprise Risk Management department.

IA set the audit period as January 1, 2024, through July 31, 2025.

## Executive Summary

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### 1. Governance

IA reviewed the high priority tasks performed by the Department of Environmental Sustainability and Projects (DESP) and any reference to those tasks in department policies, relevant standard operating procedures (SOP) and job descriptions of the DESP team.

We determined if these high priority tasks are formally documented in UTA governance and identified how recently management has updated all governing documents.

The policy governing UTA’s environmental sustainability is not formally established but is currently under review. Currently, documentation of the high priority tasks is not fully established in department policy or formalized in standardized operating procedures. IA recommends that management create a policy that outlines roles and responsibilities and SOPs that outline detailed procedures related to the high priority tasks.

IA reviewed the job description documents for all DESP team positions. Job descriptions exist for all the key positions; however, not all high priority tasks are described in the corresponding job description. Three of the six job descriptions have not been updated within the past five years. IA recommends that job description documents be reviewed to fully document high priority tasks.

**Table 1. Current Status of Governance over High Priority Tasks**

High Priority Task	Documented in Policy	Documented in SOP	Documented in Job Description
Industrial Wastewater	X	X	X
NEPA Compliance	X	X	✓
SPCC	X	X	X
Sustainability	✓	X	✓
SWPPP	X	X	X

Red X marks indicate that the high-priority task is not sufficiently described in the governance document. Green check indicates that it is.

**2. Risk Management**

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

**Attachment A: Detail of Recommendations**

Finding 25-01-01 Develop and adopt DESP Policy

Risk Level: Medium

**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.*

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.*

The Points of Focus for Principle 3 further states,

*Management designs and evaluates lines of reporting for each entity structure to enable execution of authorities and responsibilities and flow of information to manage the activities of the entity.*

Committee of Sponsoring Organizations of the Treadway Commission (COSO) 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**

DESP team lacks a clear policy to establish governance over the high-priority tasks. They are drafting a policy, but it has not yet been formally adopted. Sustainability is the only high priority task documented within existing or drafted policy; however, it is insufficient in describing standards and is not part of a singular policy where all high-priority tasks of the DESP team are documented to establish governance.

### **Cause**

Not applicable.

### **Effect**

- A lack of policy may cause uncertainty in department responsibilities and expectations.
- Unclear department responsibilities can lead to unfulfilled obligations either through scheduling or judgement errors, leading to practical drift from standards and increasing the risk of error.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of developed governing documents.
- Internal use and understanding of environmental standards may differ among business units without a clear and formalized policy.
- Teams without clear internal governance documents may lack authority to ensure organizational compliance.

### **Recommendation**

1. IA recommends that management work with UTA's Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in policy, SOP, and job descriptions.
2. IA recommends that management develop and adopt a singular policy that specifically documents the DESP team's regulatory oversight, authority, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives with sufficient detail over the following high priority tasks:
  - A. SPCC plan development and compliance activities for required facilities.
    - i. Description of what is included in an SPCC plan.
    - ii. Description of activities relating to the SPCC such as:

- Petroleum Storage Tank (PST) testing and registration
    - PST inspections of aboveground and underground tanks
    - Collection of Auto Tank Gauging records
  - iii. Description of when (frequency, due dates, etc.) each task is to be completed.
  - iv. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
  - v. Documenting standards regulating all outputs.
- B. SWPP plan development and compliance activities for required facilities.
- i. Description of what is included in an SWPP plan.
  - ii. Description of activities relating to the SWPP such as:
    - Facility storm water permit registration.
    - Comprehensive site compliance evaluations.
    - Non-storm water discharge evaluations.
    - Visual inspection of facilities and storm drainage.
    - Routine inspection of facilities and storm drainage.
    - Sand/Oil/Ground water sampling.
  - iii. Description of when (frequency, due dates, etc.) each task is to be completed.
  - iv. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
  - v. Documenting standards and regulations related to activities and outputs.
- C. Industrial Waste compliance management for required facilities.
- i. Description of compliance activities relating to Industrial Waste management including:
    - Registration for Hazardous Material Permits
    - Sewer sampling reports
    - Hazardous Material disposal process
  - ii. Description of when (frequency, due dates, etc.) each task is to be completed.
  - iii. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
  - iv. Documenting standards and regulations related to activities and outputs.
- D. NEP requirements for UTA Capital Development projects.
- i. Description of activities relating to NEPA and environmental study reports for Capital Development projects including:
    - Construction Storm Water Permits
    - Environmental evaluations
  - ii. Description of when (frequency, due dates, etc.) each task is to be completed.
  - iii. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
  - iv. Documenting standards and regulations related to activities and outputs.
- E. UTA's Sustainability plan development and strategy.
- i. Description of what is included in UTA's Sustainability plan.
  - ii. Description of activities relating to Sustainability including:
    - UTA Sustainability Report
    - Sustainability Steering Committee
  - iii. Description of when (frequency, due dates, etc.) each task is to be completed.

- iv. Description of outputs (such as formal documents, reports, filings, etc.) for all compliance activities.
- v. Documenting standards and regulations related to activities and outputs.

**Management Response and Action Plan:**

Response: the DESP team currently operates under an existing Environmental Protection Policy and a Sustainability Policy. Other edits are highlighted throughout this document.

**Management Action Plan:**

- Review and update, if necessary, existing Environmental Protection Policy (2024 policy approved by policy committee and sent to Board of Trustees for final approval was delayed due to policy/sop process update/review by outside legal counsel). The Environmental Protection policy will cover environmental compliance (industrial wastewater, SPCC, & SWPPP) and NEPA.
- Review and update, if necessary, existing, Board approved, Sustainability Policy, approved October 11, 2023. The Sustainability Policy will be a stand-alone policy for sustainability and cross-referenced in the Environmental Protection policy.

**Responsible:**

Manager of Environmental Compliance and Sustainability, Environmental Compliance Administrator, NEPA Project Administrator, Environmental Compliance & NEPA Administrator, and Environmental Stewardship & Sustainability Specialist.

**Target Completion Date:**

Target date will be determined once Board process of UTA Policies and SOP's being resolved currently by outside counsel is completed. As stated above, a medium risk level requires agreed remedial action within six months; clock will begin once new UTA policy/SOP process is determined and completion date will be set for six months later.

**Finding 25-01-02 Develop SOPs for high priority tasks listed in DESP Policy**

**Risk Level: Medium**

**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.*

Committee of Sponsoring Organizations of the Treadway Commission (COSO) 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**

The DESP team's current SOPs do not sufficiently detail who and how high priority tasks are performed. Current versions of SOPs focus on activities of other business units and lack descriptions of how the DESP team manages compliance with regulatory standards.

**Cause**

Not applicable

**Effect**

- 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 prescribed standards of procedure.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of formal governing documents.

**Recommendation**

1. IA recommends that management work with UTA's Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in SOP.

2. IA recommends that management develop and adopt SOPs for the following high priority tasks:

A. SPCC plans.

- v. List steps for staff to complete the task.
- vi. List steps for staff to complete all necessary activities, such as:
  - Petroleum Storage Tank (PST) testing and registration
  - PST inspections of aboveground and underground tanks
  - Collection of Auto Tank Gauging records
- vii. Description of who within the DESP team performs each task.
- viii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
  - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- ix. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

B. SWPP plans

- i. List steps for staff to complete the task.
- ii. List steps for staff to complete all necessary activities, such as:
  - Facility storm water permit registration.
  - Comprehensive site compliance evaluations.
  - Non-storm water discharge evaluations.
  - Visual inspection of facilities and storm drainage.
  - Routine inspection of facilities and storm drainage.



- Sand/Oil/Ground water sampling.
- iii. Description of who within the DESP team performs each task.
- iv. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
  - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- v. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

C. Industrial Waste management

- i. List steps for staff for all necessary activities, such as:
  - Registration for Hazardous Material Permits
  - Sewer sampling reports
  - Hazardous Material disposal process
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
  - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

D. NEPA and environmental evaluations for Capital Development projects

- i. List steps for staff to complete all necessary activities, such:
  - Construction Storm Water Permits
  - Environmental evaluations
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
  - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

E. UTA's Sustainability plan development and compliance activities.

- i. List steps for staff to complete all necessary activities, such as:
  - UTA Sustainability Report
  - Sustainability Steering Committee
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
  - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

**Management Response and Action Plan:**

Response: the DESP team currently operates under an existing Environmental Review SOP and an existing SWPPP SOP.

Management Action Plan in order from Table 1:

- Draft and adopt an Industrial Wastewater SOP.
- Update current Environmental Review Process SOP dated 2007 and adopt.
- Draft and adopt an SPCC SOP.
- Draft and adopt a Sustainability SOP.
- Update current SWPPP SOP dated 2004 and adopt.

**Responsible:**

Manager Environmental Compliance and Sustainability, Environmental Compliance Administrator, NEPA Project Administrator, Environmental Compliance & NEPA Administrator, and Environmental Stewardship & Sustainability Specialist.

**Target Completion Date:**

Target date will be determined once Board process of UTA Policies and SOP's being resolved currently by outside counsel is completed. As stated above, a medium risk level requires agreed remedial action within six months; clock will begin once new UTA policy/SOP process is determined and completion date will be set for six months later.

**Finding 25-01-03 Job Description Review**

**Risk Level: Low**

**Criteria**

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

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.*

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.*

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

*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.*

### **Condition**

IA reviewed the job descriptions for DESP employees to verify the age of the documents, minimum experience requirements, and job duties are described. Three of the six job descriptions reviewed have not been updated within the past five years. Additionally, the only high priority tasks described in job descriptions are NEPA compliance and Sustainability.

**Table 2. Job Description Attributes**

<b>Job Title</b>	<b>Last Updated</b>	<b>Minimum Experience Described</b>	<b>Job Duties Described</b>	<b>Additional Comments</b>
Environmental Compliance Administrator	06/2022	Yes	Yes	Job duties will need review upon development of departmental policy and SOPs.
Environmental Compliance & NEPA Administrator	08/2021	Yes	Yes	Job duties will need review upon development of departmental policy and SOPs.
Environmental Stewardship Sustainability Specialist II	08/2017	Yes	Yes	
Manager of Environmental Compliance and Sustainability	11/2023	Yes	Yes	
NEPA Project Administrator	05/2017	Yes	Yes	
Project Manager III	10/2014	Yes	Yes	

### **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**

1. IA recommends that management work with UTA's Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in job descriptions.
2. Management should work with Human Resources to review all job description documents and make necessary updates. Job descriptions should align with updated policy and SOPs.

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

Management will work with Human Resources to review all job description documents and make necessary updates. Job descriptions will align with updated policy and SOPs, as appropriate.

### **Responsible:**

Manager of Environmental Compliance and Sustainability

**Target Completion Date:** As stated above, a low risk level requires agreed remedial action within twelve months; the proposed response will be completed within twelve months.