



INTERNAL AUDIT

Real Estate and Transit Oriented Development Audit

R-24-03

February 14, 2025

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Rating Matrix

Descriptor	Guide
High	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.
Medium	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.
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. These matters should be subject to agreed remedial action and further evaluation within twelve months.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	
Chief Capital Services Officer		*	
Director of Real Estate & TOD		*	*

¹For 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 a performance audit over the processes of the Real Estate and Transit Oriented Development (“TOD”) department. The Audit Committee approved the Audit Plan that included this engagement on December 18, 2023. IA conducted the audit in accordance with the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors.

Background and Overview

UTA’s Real Estate and TOD department is a subdivision of the Capital Services office. Their responsibility is to oversee the development, sale, and purchase of real properties for the organization. The department manages multiple projects aimed at continuous development of property to better serve the public and aid in UTA’s mission.

Objectives and Scope

The period under review was January 1, 2022 – June 30, 2024.

Internal Audit focused audit activities on reviewing the department’s compliance with UTA policies and standards of procedures (“SOP”). Specifically, IA reviewed the following topics:

- Real Estate Transaction Accounting
- Records Management
- Project Management of TOD projects
- Role of the Board in Real Estate and TOD

Summary

IA initiated this engagement on June 10, 2024 and then cancelled February 12, 2025 after management did not meet a final deadline to provide records. We were particularly concerned with the state of real estate transaction records; the documentation for land sales and purchases appeared incomplete and disorganized. We were unable to determine precise root cause for the low levels of engagement and poor records, but the department appears to be understaffed, has had recent turnover of high-performing staff, and may lack specific expertise in key areas.

Executive Management is hiring a consultant team to assist Real Estate and TOD in determining pain points and reviewing department processes. IA will not conduct further testing or root cause analysis because the consultant’s activities will fulfill the primary outstanding goals of the audit. We thank Real Estate and TOD for their dedication to meeting UTA’s mission. Our intent with this report is to document a need to determine what resources the department needs to meet their objectives.

Management Response

Management did not provide a response for this report as of the time of publishing the report.