



## **Open Audit Recommendation Report**

**June 10, 2025**

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## Rating Matrix

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

## Distribution List

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

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

## Executive Summary

## Background

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

## Objectives and Scope

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IA produces an updated edition of this report for each Audit Committee meeting to inform that body of the status of open recommendations (Appendix A and Appendix B) and to document recommendations that have been closed (Appendix C) since the last edition of the report. IA published this edition for the June 16, 2025 Audit Committee to document follow-up activities since the Audit Committee meeting held on March 10, 2025.

## Executive Summary

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Since the last Audit Committee Meeting on March 10, 2025, IA and ERM have refined procedures and report format for the Open Audit Recommendation Report. We have this new report format and new forms and electronic tools to track and communicate follow-up efforts. We are drafting an agency standard operating procedure to formally document the roles of ERM and IA around these procedures.

The following bullets summarize activity since the March 10, 2025 Audit Committee meeting. Full details can be found in Appendices B and C of this report.

- IA closed four issues from an assessment of the recruitment department performed by an outside auditor. The outside auditor had marked these issues as “low priority”. Internal Audit discussed the low priority issues with management. We decided that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.
- IA closed an issue recommending that the Vanpool department perform red flag monitoring on purchase card transactions. IA has a Vanpool audit in 2025 that will fully explore controls around purchase cards, among other topics.
- IA closed an issue recommending that the Payroll department use JD Edwards for document storage. Management researched the document retention capabilities of the applications JD Edwards and Workday and found them unsuitable for their purposes. This is closed as an accepted risk and IA agrees with their evaluation.
- ERM submitted 11 open issues for IA to perform follow up work on May 18, 2025. IA set a self-deadline of July 31, 2025 to perform follow-up work. We will report on a resolution in the next edition of this report, to be issued for the Audit Committee meeting scheduled for September 22, 2025.
- ERM is escalating seven issues to the Executive Team for decisioning or resource allocation.

- ERM paused corrective action for three issues initiatives to standardize Operations Office documentation and/or the completion of the Board initiative to review Agency policies and procedures.

## Appendix A: Overview Status of Open Issues

Engagement Name	Issue Name	Current Status	Risk Level	Due Date
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-01 Project Requests	Submitted to IA for Review	Medium	07/31/2025
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-03 Project Management Policy	Open Issues	High	12/31/2025
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-04 Budget Monitoring	Open Issues	Medium	12/31/2025
21-02 Preliminary Assessment: Utilities Management	R-21-02-04 Standard Operating Procedures	Open Issues	Medium	12/31/2025
21-03 Preliminary Assessment of Maintenance of Way Systems	R-21-01 Training Development Resources	Submitted to IA for Review	High	07/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-03 External Announcements	Open Issues	Medium	12/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-04 Securement Training	Open Issues	Medium	12/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-05 Standard Operating Procedures Updates	Open Issues	Medium	12/31/2025
21-06 Preliminary Assessment of Fuel Costs	R-21-06-06 Pre- and Post-Fueling Checklists	Open Issues	Medium	12/31/2025
21-06 Preliminary Assessment of Fuel Costs	R-21-06-08 Fuel Access	Open Issues	High	12/31/2025
22-02 Preliminary Assessment of Light Rail Operations	R-22-03 Standard Operating Procedure Updates LR	Open Issues	Low	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-1 Support Fleet Governance and Resources	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-2 Support Fleet Policies and Procedures	Open Issues	Medium	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-3 Opportunities to Right-Size the Support Fleet	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-4 Floating Vehicle Check-out and Security Measures	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-5 Vehicle Use Thresholds	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-6 Access to Purchase Card System	Open Issues	Medium	12/31/2025
23-02 Preliminary Assessment of the Vehicle Disposal Process	R-23-02-1 Board Approval Over \$200k	Open Issues	Medium	12/31/2025
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-1 Required 1099 Forms were not issued	Open Issues	Medium	12/31/2025
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-2 Claims vendors, physicians and attorneys were not sent a 1099	Open Issues	Medium	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-1 Safety and Security Procedures	Open Issues	Low	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-2 TCC Staffing	Open Issues	Medium	12/31/2025
23-05 Limited Scope Assessment of the Vendor Master File	R-23-05-01 Vendor Master File Process Issue	Open Issues	Medium	12/31/2025
23-11 Recruitment Assessment	R-23-11-A Human Resources Information System	Open Issues	High	12/31/2025
23-11 Recruitment Assessment	R-23-11-B Standard Operating Procedures Recruitment	Open Issues	High	12/31/2025
23-11 Recruitment Assessment	R-23-11-C Key Performance Indicators	Submitted to IA for Review	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-D Talent Acquisition Team Structure	Submitted to IA for Review	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-E Leadership Strategy Sessions	Submitted to IA for Review	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-F Jobvite Validation Rules	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-G Process Expectations	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-H Talent Acquisition Team Communication	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-I Immediate Process Improvements	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-J Recruiter Training	Submitted to IA for Review	Medium	07/31/2025
24-01 Procurement Process Performance Audit	R-24-01-01 Disclosures to UTA Ethics Officer	Submitted to IA for Review	Medium	07/31/2025
24-01 Procurement Process Performance Audit	R-24-01-02 Procurement Department is Under-resourced	Open Issues	High	12/31/2025
24-06 Preliminary Assessment of Payroll Process	R-24-06-01 Vacation Sell-back exceeded policy	Open Issues	Low	12/31/2025

## Appendix B: Detail Status of Open Issues

*Note: This document standardized formatting and corrected clerical errors from original reports.*

### A. 20-07 Preliminary Assessment of the Capital Projects Process

**Recommendation R-20-07-01 A Project Requests**

**Risk Level: Medium**

**Audit Committee Report Date: April 19, 2021**

**Current Status: Submitted for Closure**

**Recommendation:**

- IA recommends that Capital Development require detailed budget estimates with project requests. Budget estimates should include evidence of a secondary review, such as an independent cost estimate or a reasonableness review performed by the requesting department management.
- IA recommends that Capital Development require basic project timetables when submitting project requests.

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Budget estimate support and expected timelines are incorporated into the budget request form. Monthly cash flow (aging) is updated twice a year by project managers.

**Issue Owner:**

Director of Capital Program and Support

**Current Due Date:**

5/16/2025

**Recommendation R-20-07-03 Project Management Policy**

**Risk Level: High**

**Audit Committee Report Date: April 19, 2021**

**Current Status: 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 Management Status Update:**

Capital Services is transitioning the draft of the Capital Budget Request Manual to a Standard Operating Procedure.

**Issue Owner:**

Director of Capital Program and Support

**Current Due Date:**

12/31/2025

**Recommendation R-20-07-04 Budget Monitoring**

**Risk Level: Medium**

**Audit Committee Report Date: April 19, 2021**

**Current Status: Escalated**

**Recommendation:**

- IA recommends that entity level oversight be established with the following practices:
  - Require project managers to submit regularly scheduled and standardized project financial reports, including expenditure tracking, comparison to budget, and an up-to-date schedule of anticipated cash flow.
  - Regular monitoring of budget to actual expenditures should be conducted by Executive leadership with follow up on variances conducted.

**Current Management Status Update:**

This issue is being escalated to the Chief Operations Officer for support in establishing authoritative follow-up and project manager accountability for project budget/schedule/status variances identified by Capital Services. Every four months, “Quad Reports” documenting project status, risks and opportunities, budget and schedule go to project managers. Monthly Project Status Reports go to chiefs.

**Issue Owner:**

Director of Capital Program and Support

**Current Due Date:**

12/31/2025

**B. 21-03 Preliminary Assessment of Maintenance of Way Systems**

**Recommendation R-21-01 Training Development Resources**

**Risk Level: High**

**Audit Committee Report Date: June 21, 2021**

**Current Status: Submitted for Closure**

**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 Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Management added additional headcount to support the development of the MOW Apprenticeship Program, which launched in Q1 2025 and is currently being provided to apprentices by title. Two MOW training administrators were hired in 2022. An MOW training specialist was hired in 2023. An outside HNTB consultant also contributed to program development. The program is administered as an internal UTA-sponsored program in alignment with a Memorandum of Understanding between the ATU and UTA.

**Issue Owner:**

Director Workforce Tech Training

**Current Due Date:**

5/16/2025

### C. 21-02 Preliminary Assessment: Utilities Management

Recommendation R-21-02-04 Standard Operating Procedures

Risk Level: Medium

Audit Committee Report Date: October 17, 2022

Current Status: 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 Management Status Update:**

Dan Locke has completed a first draft of the Utilities Management SOP.

**Issue Owner:**

Facilities Utilities Project Administrator

**Current Due Date:**

12/31/2025

### D. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-03 External Announcements

Risk Level: Medium

Audit Committee Report Date: August 23, 2021

Current Status: Escalated

**Recommendation:**

- Fully automated and high audio quality external speakers should be installed on buses.
  - As a preliminary step to implementation, Management should research options, feasibility, and cost.
- Audio quality of existing speakers should be regularly inspected and adjusted as necessary.
- An interim alternative would be to require the use of outside speakers at least on the routes that are most likely to need them.

**Current Management Status Update:**

This issue is being escalated to the Chief Operations Officer for decisioning on the viability of the unfunded second phase of the Management Response, which calls for the MDD system to be updated to automatically make external service announcements. According to IT, this enhancement to MDD functionality cannot be addressed for two years.

**Issue Owner:**

Manager Service Delivery – Timpanogos

**Current Due Date:**

12/31/2025

Recommendation R-21-04 Securement Training

Risk Level: Medium

Audit Committee Report Date: August 23, 2021

Current Status: Open



**Recommendation:**

- Require refresher training on the requirement to secure passengers. The refresher training can be incorporated as part of annual sensitivity training. Retrain specific operators following securement complaints or accidents as appropriate to the nature of the complaint or accident.

**Current Management Status Update:**

Civil Rights targets a Q3 2025 completion of a video resource that is inclusive of all types of mobility device securements. The script is currently complete. The Technical Training team is being engaged to integrate the video resource into the appropriate trainings.

**Issue Owner:**

Civil Rights Compliance Officer - ADA

**Current Due Date:**

12/31/2025

**Recommendation R-21-05 Standard Operating Procedure Updates**

**Risk Level: Low**

**Audit Committee Report Date: August 23, 2021**

**Current Status: Escalated**

**Recommendation:**

BO 1.09, "Serving Customers with Disabilities" should be updated with the following changes:

- Align definition of service animals with UTA policy 6.1.1.
- Align Personal Care Attendant language with recent fare policy changes.
- Include a section discussing appropriate language when talking to/about people with disabilities.
- Expand the description of situations where service might be denied to include instances where customers are denied priority seating. These instances should be reported to TCC.
- The SOP should require that TCC provide monthly reports to the ADA Compliance Officer of call-ins related to service denials.
- SOP ownership should be collaborative with the ADA Compliance Officer.

**Current Management Status Update:**

This issue is being escalated to the Chief Operations Officer for decisioning on whether BO 1.09 "Serving Customers with Disabilities" SOP should be changed to align with the Fares Policy or if the Fares Policy should instead be changed to align with the SOP. The issue owner asserts that the Fares Policy for personal care attendants verification inhibits customer service and creates a barrier for people with disabilities.

**Issue Owner:**

Manager of Service Delivery – Mount Ogden

**Current Due Date:**

12/31/2025

**E. 21-06 Preliminary Assessment of Fuel Costs**

**Recommendation R-21-06-06 Pre- and Post-Fueling Checklists\***

**Risk Level: Medium**

**Audit Committee Report Date: November 15, 2021**

**Current Status: Escalated**

*\*Original recommendation did not have a title*

**Recommendation:**

- Management should complete the drafted corrective action plan. [Management had previously identified the issue and created a corrective action plan].

**Current Management Status Update:**

This issue is being escalated to the Chief Operations Officer for decisioning on whether issue ownership should change from Mark Taggart to an Operations leader. In the meantime, management has drafted an SOP that is currently under review by directors responsible for Parts Rooms. Several of the directors indicated that their parts clerks do not have access to Fuel Island cameras and instructions have been given to directors to request access. The Data Governance team is being consulted about providing a dashboard that coordinates Fuelwrap data with Pre- and Post-Fueling Checklists stored in Laserfiche to identify gaps in checklist completion.

**Issue Owner:**

Environmental Compliance Administrator

**Current Due Date:**

12/31/2025

**Recommendation R-21-06-08 Fuel Access\***

**Risk Level: High**

**Audit Committee Report Date: November 15, 2021**

**Current Status: Escalated**

*\*Original recommendation did not have a title*

**Recommendation:**

- Existing badge data should be cleaned and standardized. This cleanup could include:
- Ensure that names match human resource records.
- Ensure an employee's department matches human resource records.
- Deactivate unneeded duplicate entries.
- a. Deactivate "dummy accounts."

**Current Management Status Update:**

This issue is being escalated to the Chief Operations Officer for decisioning on whether issue ownership should change to Operations so they can implement a process for periodically checking fuel access. IT has already implemented an automated process that runs lists of terminated employees in a database and provides alerts so their access can be terminated.

**Issue Owner:**

Enterprise Applications Manager

**Current Due Date:**

12/31/2025

**F. 22-02 Preliminary Assessment of Light Rail Operations**

**Recommendation R-22-03 Standard Operating Procedure Updates**

**Risk Level: Low**

**Audit Committee Report Date: October 17, 2022**

**Current Status: Paused**

**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 Management Status Update:**

This issue is paused because the broader Operations office has put a hold on the creation of new SOPs.

**Issue Owner:**

Manager Light Rail Operations

**Current Due Date:**

TBD, based on COO direction

**G. 22-06 Performance Audit of Support Fleet****Recommendation R-22-06-1 Support Fleet Governance and Resources****Risk Level: High****Audit Committee Report Date: June 27, 2022****Current Status: Paused****Recommendation:**

- Provide the Support Fleet Management with additional resources subject to budgetary constraints and additional needs analysis of the department.
- Develop and implement new policies and procedures that grant authority to the FVA to oversee, provide training, and enforce matters related to UTA's support fleet.

**Current Management Status Update:**

This issue is paused, pending Board approval of the NRG Policy, which is not anticipated until November or later. Four NRG SOPs have been published.

**Issue Owner:**

Manager Non-Revenue Vehicle Performance and Maintenance

**Current Due Date:**

TBD, based on Board Policy-approval timeline

**Recommendation R-22-06-2 Support Fleet Policies and Procedures****Risk Level: Medium****Audit Committee Report Date: June 27, 2022****Current Status: Open****Recommendation:**

- We recommend Support Fleet Management develop new policies and procedures to define requirements and necessary steps for each of its key areas of responsibility.
- We recommend Support Fleet Management develop training on the policies and procedures and provide this training to employees responsible for or users of fleet vehicles at least annually.

**Current Management Status Update:**

Completion and launch of LMS training to guide NRV users on proper protocols is targeted for the end of 2025. Currently, NRV SharePoint page content is robust (SOPs, checklists, FAQ, etc.).

**Issue Owner:**

Manager Non-Revenue Vehicle Performance and Maintenance

**Current Due Date:**

12/31/2025

**Recommendation R-22-06-3 Opportunities to Right-Size the Support Fleet****Risk Level: High****Audit Committee Report Date: June 27, 2022****Current Status: Open****Recommendation:**

- We recommend Support Fleet Management use the new geotrackers to pinpoint precisely which vehicles are being underutilized and work to either reassign vehicles where they will be more useful or dispose of them to recapture some residual value.
- We recommend the vehicle purchasing strategy be overhauled to ensure that proper steps are taken to determine if another vehicle within support fleet would be sufficient to meet the needs of the requesting department prior to purchasing a new vehicle.
- We recommend Support Fleet Management require all employees responsible for a support fleet vehicle, especially underutilized ones, to provide written justification for the business need of their vehicles. Based on the justifications, support fleet should make decisions as to which vehicles may be reassigned or slated for disposal.
- We recommend Support Fleet Management review the use of floating fleet vehicles available to be checked out by employees to determine if any could be repurposed or disposed.
- We recommend UTA management review its disposal and auction process to determine if there are ways to streamline sales once vehicles to be disposed of have been identified.
- We recommend UTA's accounting and finance teams determine if there is a more effective way to manage the budget strategy for support fleet vehicles, for instance, using an internal service fund to charge departments for the use of vehicles.

**Current Management Status Update:**

The NRV team is working on capturing and entering NRV utilization data into a form to identify underutilized cars for removal or reassignment. The form will be sent to responsible employees for written justification.

**Issue Owner:**

Manager Non-Revenue Vehicle Performance and Maintenance

**Current Due Date:**

12/31/2025

**Recommendation R-22-06-4 Floating Vehicle Check-out and Security Measures\*****Risk Level: High****Audit Committee Report Date: June 27, 2022****Current Status: Open**

*\*Original full title: Floating Vehicle Check-out and Physical Security Measures are Ineffective Against Preventing Fraud and Abuse.*

**Recommendation:**

- We recommend developing or purchasing new check-out software and adding additional controls to the check-out process. The new controls should be robust enough to 1) ensure Support Fleet knows who has custody of a vehicle at any given time, 2) ensures proper approvals for vehicle use are documented prior to an employee taking custody of a vehicle, 3) ensure vehicle keys are kept in a secure (locked) area that can only be accessed with either a unique identifier code or unlocked by a custodian that verifies the employee has gone through the check-out process and has all approvals documented.

**Current Management Status Update:**

An NRV key management system has been installed at all locations and training is nearing completion. The NRV team has some last tasks to complete at Midvale and Jordan River prior to submitting this issue for closure.

**Issue Owner:**

Manager Non-Revenue Vehicle Performance and Maintenance

**Current Due Date:**

12/31/2025

**Recommendation R-22-06-5 Vehicle Use Thresholds\***

**Risk Level: High**

**Audit Committee Report Date: December 16, 2024**

**Current Status: Open**

*\*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 Management Status Update:**

NRV utilization thresholds have been established and are being formalized in a Fleet Management Plan (comparable to Bus Maintenance plans).

**Issue Owner:**

Manager Non-Revenue Vehicle Performance and Maintenance

**Current Due Date:**

12/31/2025

**Recommendation R-22-06-6 Access to Purchase Card System\***

**Risk Level: Medium**

**Audit Committee Report Date: December 16, 2024**

**Current Status: Open**

*\*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 Management Status Update:**

The NRV team has obtained read-only access to the US Bank purchase-card system and they are reviewing the data to identify who is not submitting invoices so they can conduct individualized training. They are investigating whether or how they can pull invoices from the US Bank system.

**Issue Owner:**

Manager Non-Revenue Vehicle Performance and Maintenance

**Current Due Date:**

12/31/2025

**H. 23-02 Preliminary Assessment of the Vehicle Disposal Process**

**Recommendation R-23-02-1 Board Approval Over \$200k**

**Risk Level: Medium**

**Audit Committee Report Date: December 18, 2023**

**Current Status: Escalated**

**Recommendation:**

- Capital Assets group should seek approval from the Board for the sale of any vehicles which combined might exceed \$200,000.
  - Alternatively, Capital Assets could provide an annual, or other periodic (such as quarterly), update to the Board regarding planned vehicle sales.
- Capital Assets should incorporate this Board approval process into SOPs.

**Current Management Status Update:**

This issue is being escalated to the Chief Financial Officer for decisioning around shifting ownership of this issue to the Capital Asset group which was moved to Finance at the beginning of 2024.

**Issue Owner:**

Director of Capital Program and Support

**Current Due Date:**

12/31/2025

**I. 23-03 Preliminary Assessment of 1099 Reporting**

**Recommendation R-23-03-1 Required 1099 Forms were not issued**

**Risk Level: Medium**

**Audit Committee Report Date: June 24, 2024**

**Current Status: Open**

**Recommendation:**

- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.
- Additional research should be conducted by the accounting team to identify if other vendors who received payments from UTA should have had a 1099 sent to them.
- Best practices suggest that a business should request an updated W-9 Form every year from contractors.

**Current Management Status Update:**

Accounting is verifying that the SOP includes W-9 language for vendors, medical practitioners and attorneys. They are performing a check on vendor, medical practitioners and attorney 1099s.

**Issue Owner:**

Chief Financial Officer

**Current Due Date:**  
12/31/2025

**Recommendation R-23-03-2 Claim vendors, physicians and attorneys were not sent a 1099 Risk Level: \***

**Audit Committee Report Date: June 24, 2024**

**Current Status: Open**

*\*Risk level was missed in the original report. It is a medium risk.*

**Recommendation:**

- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.
- Accounts Payable should require a completed W-9 before issuing any future claims payments.
- Accounts Payable staff should receive training on Form 1099 reporting procedures.
- Accounts Payable or the Accounting Supervisor should maintain an IRS e-news subscription to receive future updates to the Form 1099 reporting process. <https://www.irs.gov/newsroom/e-news-subscriptions>

**Current Management Status Update:**

Accounting is verifying that the SOP includes W-9 language for vendors, medical practitioners and attorneys. They are performing a check on vendor, medical practitioners and attorney 1099s.

**Issue Owner:**

Chief Financial Officer

**Current Due Date:**  
12/31/2025

**J. 23-05 Limited Scope Assessment of the Vendor Master File**

**Recommendation R-23-05-01 Vendor Master File Process Issue**

**Risk Level: Medium**

**Audit Committee Report Date: October 16, 2023**

**Current Status: Open**

**Recommendation:**

- A formal process should be developed to validate new vendors.
- Roles and responsibilities between the AP team and Accountants should be clearly defined and documented.
- An IRS TIN match should be performed for new vendors additions.
- Existing data errors should be investigated and resolved.

**Current Management Status Update:**

Accounting is verifying that the process is documented for improving records and that errors/inconsistencies have been corrected. The data for vendor that are currently being paid has been updated. Unused vendors are taking longer to update. If UTA goes two years without using a vendor, it goes inactive and is not updated until UTA uses it again.

**Issue Owner:**

Accounting Supervisor

**Current Due Date:**

12/31/2025

**K. 23-04 Preliminary Assessment Transit Communication Center**

**Recommendation R-23-04-1 Safety and Security Procedures**

**Risk Level: Low**

**Audit Committee Report Date: March 11, 2024**

**Current Status: Open**

**Recommendation:**

- *This recommendation involves a sensitive security matter. Details will not be published until the risk is resolved.*

**Current Management Status Update:**

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

**Issue Owner:**

Manager of Security

**Current Due Date:**

12/31/2025

**Recommendation R-23-04-2 TCC Staffing**

**Risk Level: Medium**

**Audit Committee Report Date: March 11, 2024**

**Current Status: Escalated**

**Recommendation:**

- IA recommends that TCC management evaluate current headcount levels for sufficient coverage.
  - According to the cited APCO standards four additional headcount would be needed to fill TCC's coverage need for dispatchers.
  - Based on the overtime statistics provided, four FTE may not be necessary. Management should independently determine TCC needs.

**Current Management Status Update:**

This issue is being escalated to the Chief Operations Officer for decisioning around additional headcount.

**Issue Owner:**

Manager Transit Communications Center

**Current Due Date:**

12/31/2025

**L. 23-11 Recruitment Assessment**

**Recommendation R-23-11-A Human Resources Information System**

**Risk Level: High**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Open**

**Recommendation:**

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



**Current Management Status Update:**

Workday is scheduled to go live in 2025. Talent Acquisition workflows are being mapped into the new system to eliminate redundancies and include upgrades to best practices.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

12/31/2025

**Recommendation R-23-11-B Standard Operating Procedures****Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Paused****Recommendation:**

- Update standard operating procedures and include SLAs.

**Current Management Status Update:**

Corrective action is paused, pending completion of an outside consulting analysis of UTA policies and procedures by the Board. SOPs are drafted but not adopted.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

TBD, pending results of policy/SOP consulting analysis

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

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

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. KPIs for the UTA Talent Acquisition team are defined and are posted on the visual board for discussion during regular huddles.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

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

**Recommendation:**

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

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. An onboarding specialist and a data entry specialist were hired in 2024 to support increased data quality.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

**Recommendation R-23-11-E Leadership Strategy Sessions**

**Risk Level: High**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Submitted for Closure**

**Recommendation:**

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

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Annual team meetings take place each December to calibrate the team's focus for the next year.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

**Recommendation R-23-11-F Jobvite Validation Rules**

**Risk Level: Medium**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Submitted for Closure**

**Recommendation:**

- Investigate data validation rules and optimize features in Jobvite.

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition built an automated data transfer between Jobvite and JDE, which has resulted in efficiencies including fewer keystrokes.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

**Recommendation R-23-11-G Process Expectations**

**Risk Level: Medium**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Submitted for Closure**

**Recommendation:**

- Communicate expectations with Hiring Managers and other teams on processes and SLAs.

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. In collaboration with senior stakeholders from all areas of UTA, a Talent Acquisition Service Level Agreement was established.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

**Recommendation R-23-11-H Talent Acquisition Team Communication**

**Risk Level: Medium**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Submitted for Closure**

**Recommendation:**

- Build structure into Talent Acquisition team communication cadence.

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Monthly meetings with senior Talent Acquisition team members are conducted to ensure the team stays focused on strategies and daily work.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

**Recommendation R-23-11-I Immediate Process Improvements**

**Risk Level: Medium**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Submitted for Closure**

**Recommendation:**

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

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition weekly visual board meetings (huddles) include idea generation and implementation to generate quick wins. Meetings also support increased transparency in TA project/process updates and successes.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

**Recommendation R-23-11-J Recruiter Training**

**Risk Level: Medium**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Submitted for Closure**

**Recommendation:**

- Provide standardized onboarding and ongoing development training to Recruiters

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition partnered with CI to map out the complete hiring process for Bargaining and Administrative employees. Training manuals were created to allow for better onboarding of new Talent Acquisition employees.

**Issue Owner:**

Director Talent Acquisition

**Current Due Date:**

7/31/2025

**M. 24-01 Procurement Process Performance Audit****Recommendation R-24-01-01 Disclosures to UTA Ethics Officer\*****Risk Level: Medium****Audit Committee Report Date: December 16, 2024****Current Status: Submitted for Closure**

*\*Original recommendation title: Conflict of Interest Disclosures to UTA Ethics Officer.*

**Recommendation:**

- Procurement department employees should report any conflicts of interest discovered in a procurement requisition to the UTA Ethics Officer.

**Current Management Status Update:**

This issue has been formally submitted to Internal Audit for validation and closure. Procurement added the Director of Internal Audit as an approver on the Conflict of Interest Form for selection committees. The UPR was also updated to state that conflicts of interest must be approved by the CRO and Director of Internal Audit.

**Issue Owner:**

Director of Supply Chain

**Current Due Date:**

7/31/2025

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

- The Procurement department's 2026 budget should include headcount increases to convert the two outsourced consultant positions to full-time employees.
- Management should formally study the Procurement department's resource needs ahead of planning for the 2026 budgets and allocated resources as appropriate to the findings of the study.

**Current Management Status Update:**

The Procurement Department is currently engaged in the 2026 budget process in which resource needs are being considered.

**Issue Owner:**

Director of Supply Chain

**Current Due Date:**

12/31/2025

## N. 24-06 Preliminary Assessment of Payroll Process

**Recommendation R-24-06-01 Vacation Sell-back exceeded policy**

**Risk Level: Low**

**Audit Committee Report Date: September 23, 2024**

**Current Status: Open**

**Recommendation:**

- Management should work with the Total Rewards department to educate supervisors on vacation sell-back policy and procedure.
- We recommend that Management develop a form or memo required for all employees requesting vacation sell-back that verifies that all eligibility requirements are met before the sell-back is processed.
- We recommend that Management monitors the vacation sellback entries to detect any future occurrences of the error.
- We recommend that Management not attempt to claw-back past errors.

**Current Management Status Update:**

The Comptroller is verifying that the new vacation sell-back process is documented and fully implemented.

**Issue Owner:**

Payroll Supervisor

**Current Due Date:**

12/31/2025

## Appendix C: Issues Closed Since Last Report

### 1. 23-11 Recruitment Assessment

**Recommendation R-23-11-K Interview Training**

**Risk Level: Low**

**Audit Committee Report Date: June 26, 2023**

**Current Status: Closed**

**Recommendation:**

- Update the Talent Acquisition team reporting structure

**Current Internal Audit Comments:**

This recommendation was given by an external auditor, who marked this as “low priority”. Internal Audit discussed the low priority issues with management. Internal Audit decided that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

**Recommendation R-23-11-L Talent Acquisition Team Reporting Structure****Risk Level: Low****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Update the Talent Acquisition team reporting structure

**Current Internal Audit Comments:**

This recommendation was given by an external auditor, who marked this as “low priority”. Internal Audit discussed the low priority issues with management. Internal Audit decided that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

**Recommendation R-23-11-M Assessment Reinstatement****Risk Level: Low****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Reinstate assessments for certain positions and begin testing as appropriate

**Current Internal Audit Comments:**

This recommendation was given by an external auditor, who marked this as “low priority”. IA discussed the low priority issues with management and determined that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

**Recommendation R-23-11-N Candidate Sourcing****Risk Level: Low****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Instill proactive candidate sourcing as a norm.

**Current Internal Audit Comments:**

This recommendation was given by an external auditor, who marked this as “low priority”. IA discussed the low priority issues with management and determined that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

**Recommendation R-23-11-O Communicating Compensation Benchmarking Results****Risk Level: Low****Audit Committee Report Date: June 26, 2023****Current Status: Closed**

**Recommendation:**

- Communicate and educate Hiring Managers on Compensation Benchmarking results

**Current Internal Audit Comments:**

This recommendation was given by an external auditor, who marked this as “low priority”. IA discussed the low priority issues with management and determined that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

## 2. 21-06 Preliminary Assessment of Fuel Costs

**Recommendation R-21-06-02 Vanpool Fuel Card Purchases\***

**Risk Level: Medium**

**Audit Committee Report Date: November 15, 2021**

**Current Status: Closed**

*\*Original recommendation did not have a title*

**Recommendation:**

- Analysis should be applied to fuel card transaction data to identify key red flags such as:
  - Unusual miles per gallon
  - Incorrect/unusual odometer inputs
  - Fueling beyond tank size
  - Unusual miles driven
  - Unexpected fuel use based on the mileage of the route
  - Unexpected fueling locations
- A formal process to follow up on red flags with drivers should be established.

**Current Internal Audit Comments:**

Internal Audit closed the issue for further follow-up. We are performing a full-scope audit of Vanpool in 2025 and will view controls that include this control holistically.

## 3. 24-06 Preliminary Assessment of Payroll Process

**Recommendation R-24-06-2 Recommendation to use JDE for Document Storage**

**Risk Level: Medium**

**Audit Committee Report Date: September 23, 2024**

**Current Status: Closed**

**Recommendation:**

- We recommend that the Payroll Department use the Attachment Manager feature of JD Edwards to directly associate exception documentation with the related paycheck.
  - Examples of information that they could attach to a paystub could include, but are not limited to, an employee’s final check and severance pay calculations, hiring bonuses, notes or calculations for double-overtime, and corrections to time entries. If adopted, management would want to consider materiality thresholds and other efficiency considerations. For example, every pay period has a

large volume of small-value gift cards employees receive through a rewards program. Management documents these with a reports showing all employees with gift cards that pay period. Matching gift card documentation with each of receiving employee would be impractical and unnecessary given the small dollar amount.

**Current Internal Audit Comments:**

Management researched the document retention capabilities of JD Edwards and Workday and found them unsuitable for their purposes. This is closed as an accepted risk and Internal Audit agrees with their evaluation.