

**Date:** February 6, 2026  
**To:** UTA Audit Committee  
**From:** Mike Hurst, Director of Internal Audit  
**Subject:** UTA Internal Audit Quality Assurance Self-Assessment Recommendations Memo 2025

### **Background**

The UTA Internal Audit Charter requires the Internal Audit function (“IA”) to adhere to the mandatory elements of the Global Internal Audit Standards (“Standards”), published by the Institute of Internal Auditors.

Standards require IA to establish a methodology for internal assessments, with the following elements.. First, on-going monitoring. This is achieved through supervision of audit projects by the Director. Second, periodic self-assessment of compliance with the standards. Third, communication to the Board and executive management about the results of internal assessments.

### **Self-Assessment Activities**

The following are a brief description of opportunities for improvement identified in the 2025 self-assessment.

#### **1. IA Director needs to formalize holding and documenting one-on-one meetings with staff**

Standard 3.1 The small size of the Internal Audit team allows the IA Director to have regular communication and coordination with audit staff, however these meetings were not being formally documented in 2025. After identifying the issue, the Director created a log that tracks the key details of one-on-one meetings.

#### **2. IA Director needs to formalize how the competencies of outside service providers are evaluated**

Standard 3.1 requires that the competency of subject matter experts or other contractors used to provide outsourced work for IA being evaluated. This was not formally completed in the past, beyond the role of procurement evaluation criteria inherently evaluating competency. The Internal Audit Desk Reference guide was updated to formalizing the role of procurement evaluations in documenting contractor competencies. Procurements less than \$5,000 do not require a competitive bid. For these instances, the Desk Reference requires that IA retain evidence of the contractor’s competency, such as a resume or proof of certification.

#### **3. IA Director needs to implement an overall engagement conclusion**

Standard 14.5 requires an engagement conclusion that summarizes the overall significance of all the engagement findings. Historically, IA reports have reported on individual findings, but not a cumulative finding as this describes. IA’s audit report template was updated to include the requirement that an overall engagement conclusion be written for reports.