



INTERNAL AUDIT

Open Audit Recommendation Report

June 15, 2026

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Rating Matrix

Descriptor	Guide
High	Major uncertainties are present. More is unknown than is known. No experience and/or data is available. Structure and resources are not established.
Moderate-high (Mod-high)	Many uncertainties are present. Experience and/or data are limited. Structure and resources are incomplete, unproven and/or immature.
Moderate (Mod)	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.
Low-moderate (Low-mod)	Minor uncertainties are present. Strong experience and data exist. Structure and resources are well designed and supported.
Low	Little to no uncertainties remain. Significant experience and data exist and are fully utilized. Structure and resources are robust.

Distribution List

Title	For Action ¹	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	*	*	*

¹For 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

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

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 22, 2026, Audit Committee to document follow-up activities since the Audit Committee meeting that was held on March 9, 2026.

Executive Summary

This report includes three sections:

Appendix A: Overview Status of Open Issues

This report includes a summary of 34 open audit findings dating from April 2021 – March 2026. In March, three (3) new open audit findings were added to this report, and eight open items have since been closed (and summarized in Appendix C). At the Audit Committee’s June meeting, six (6) new audit reports will be presented which include 18 new open audit findings to be added to this report for management’s response.

The report includes a column showing the date the issue was reported to the Audit Committee and color code to indicate age of the finding - green for issues reported after June 2025 (past year), yellow for issues reported between 6/2024-6/2025, and red for issues reported prior to 6/2024.

Appendix B: Detail Status of Open Issues

This appendix provides more detail on the 35 open audit findings.

Appendix C: Issues Closed Since Last Report

Eight (8) open issues have been closed since the last report given to the Audit Committee on March 11, 2026. A summary of those resolutions can be found in this appendix.

Appendix A: Overview Status of Open Issues

	Engagement Name	Issue Name	Current Status	Risk Rating	Due Date	Reported Date
1	20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-03 Project Management Policy	Open	Mod	3/31/2026	4/19/2021
2	20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-04 Budget Monitoring	Open	Low-Mod	3/31/2026	4/19/2021
3	21-02 Preliminary Assessment: Utilities Management	R-21-02-04 Standard Operating Procedures	Open	Mod	3/31/2026	10/17/2022
4	21-03 Preliminary Assessment of Maintenance of Way Systems	R-21-01 Training Development Resources	Open	Mod	3/31/2026	6/21/2021
5	21-04 Bus Operations and Safety Preliminary Assessment	R-21-05 Standard Operating Procedures Updates	Open	Mod	3/31/2026	8/23/2021
6	22-02 Preliminary Assessment of Light Rail Operations	R-22-03 Standard Operating Procedure Updates LR	Open	Mod	3/31/2026	10/17/2022
7	23-02 Preliminary Assessment of the Vehicle Disposal Process	R-23-02-1 Board Approval Over \$200k	Open	Low	3/31/2026	12/18/2023
8	23-03 Preliminary Assessment of 1099 Reporting	R-23-03-1 Required 1099 Forms were not issued	Open	Mod	12/31/2025	6/24/2024
9	23-03 Preliminary Assessment of 1099 Reporting	R-23-03-2 Claims vendors, physicians and attorneys were not sent a 1099	Open	Mod	12/31/2025	6/24/2024
10	23-04 Preliminary Assessment of the Transit Communication Ce	R-23-04-1 Safety and Security Procedures	Open	Mod	3/31/2026	3/11/2024
11	23-05 Limited Scope Assessment of the Vendor Master File	R-23-05-01 Vendor Master File Process Issue	Open	Mod	12/31/2025	10/16/2023
12	23-11 Recruitment Assessment	R-23-11-B Standard Operating Procedures Recruitment	Open	Mod	3/31/2026	6/26/2023
13	24-06 Preliminary Assessment of Payroll Process	R-24-06-01 Vacation Sell-back exceeded policy	Open	Low-Mod	3/31/2026	9/23/2024
14	25-01 Environmental Governance Audit	25-01-01 Develop and Adopt DESP Policy	Open	Mod	11/7/2026	12/15/2025
15	25-01 Environmental Governance Audit	25-01-02 Develop SOPs for high priority tasks listed in DESP Policy	Open	Mod	11/7/2026	12/15/2025
16	25-01 Environmental Governance Audit	25-01-03 Job Description Review	Open	Low	11/7/2026	12/15/2025
17	25-03 Purchase Card Program Audit (R25-03-01)	R-25-03-01 Transaction Approval can be changed by Employees	Open	Mod-High	9/22/2026	9/22/2025
18	25-03 Purchase Card Program Audit (R25-03-02)	R-25-03-02 Open P-Card Account for a Former Employee	Open	Mod	9/22/2026	9/22/2025
19	25-03 Purchase Card Program Audit (R25-03-03)	R-25-03-03 Approvers who left UTA employment can still be assigned appro	Open	High	9/22/2026	9/22/2025
20	25-03 Purchase Card Program Audit (R25-03-04)	R-25-03-04 Online Purchases are being shipped to non-UTA addresses	Open	Mod	9/22/2026	9/22/2025
21	25-03 Purchase Card Program Audit	R-25-03-06 Training for transaction approvers does not exist	Open	Low	9/22/2026	9/22/2025
22	25-03 Purchase Card Program Audit	R-25-03-07 P-Cards have been used to purchase individual meals	Open	Low	9/22/2026	9/22/2025
23	25-03 Purchase Card Program Audit	R-25-03-08 Purchase transactions lack detailed information required by po	Open	Low-Mod	9/22/2026	9/22/2025
24	25-05 Special Services Operations Audit	R-25-05-01 Standard Operating Procedures Need Reviewed	Open	Mod	9/22/2026	9/22/2025
25	25-05 Special Services Operations Audit	R-25-05-02 Job Description Documents Need Reviewed	Open	Low	9/22/2026	9/22/2025
26	25-05 Special Services Operations Audit	R-25-05-03 Scheduling Call Time Goals	Open	Low	9/22/2026	9/22/2025
27	25-05 Special Services Operations Audit	R-25-05-04 Scheduling Process Formalization	Open	Mod	9/22/2026	9/22/2025
28	25-05 Special Services Operations Audit	R-25-05-05 Employee Licensing Records	Open	Low-Mod	9/22/2026	9/22/2025
29	25-07 Buy America Compliance Audit	25-07-01 Insufficient reviews of minimum domestic content results	Open	Mod	3/31/2027	12/15/2025
30	25-10 Mount Ogden Bus Maintenance Audit	R-25-10-01 Standard Operating Procedures Need Reviewed	Open	Mod	6/16/2026	6/16/2025
31	25-10 Mount Ogden Bus Maintenance Audit	R-25-10-02 Job Description Documents Need Reviewed	Open	Low	6/16/2026	6/16/2025
32	25-04 Video Security Audit	R-25-04-01 Complete and Adopt Video Security Policy Edits	Open	Low-Mod	1/28/2027	3/9/2026
33	25-04 Video Security Audit	R-25-04-02 Complete and Adopt Video Security Agency SOP	Open	Low-Mod	1/28/2027	3/9/2036
34	25-04 Video Security Audit	R-25-04-03 Video Security Body Camera Adoption	Open	Low-Mod	1/28/2027	3/9/2046
	<i>Note:</i> The report includes a column showing the date the issue was reported to the Audit Committee and color code to indicate age of the finding - green for issues reported after June 2025 (past year), yellow for issues reported between 6/2024-6/2025, and red for issues reported prior to 6/2024.					
	Issues Closed Since Last Audit Committee Report on 3/19/2026					
1	21-04 Bus Operations and Safety Preliminary Assessment	R-21-04 Securement Training	Closed	Mod	3/31/2026	8/23/2021
2	21-06 Preliminary Assessment of Fuel Costs	R-21-06-06 Pre- and Post-Fueling Checklists	Closed	Mod	3/31/2026	11/15/2021
3	22-06 Performance Audit of Support Fleet	R-22-06-2 Support Fleet Policies and Procedures	Closed	Mod	3/31/2026	6/27/2022
4	22-06 Performance Audit of Support Fleet	R-22-06-3 Opportunities to Right-Size the Support Fleet	Closed	Low	3/31/2026	6/27/2022
5	23-11 Recruitment Assessment	R-23-11-C Key Performance Indicators	Closed	Low	7/31/2025	6/26/2023
6	23-11 Recruitment Assessment	R-23-11-E Leadership Strategy Sessions	Closed	Mod-High	7/31/2025	6/26/2023
7	23-11 Recruitment Assessment	R-23-11-G Process Expectations	Closed	Low	3/31/2026	6/26/2023
8	25-03 Purchase Card Program Audit	R-25-03-05 Cardholders & Approvers did not complete the required training	Closed	Low	9/22/2026	9/22/2025

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-20-07-03 Project Management Policy

Risk Level: Mod

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has drafted a library of SOPs reflecting the current control environment and is working to finalize them.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

3/31/2026

Recommendation R-20-07-04 Budget Monitoring

Risk Level: Low-Mod

Audit Committee Report Date: April 19, 2021

Current Status: Open

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is evaluating budget monitoring processes to ensure adequacy in the current control environment.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
3/31/2026

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

Recommendation R-21-01 Training Development Resources

Risk Level: Mod

Audit Committee Report Date: June 21, 2021

Current Status: Open

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has established an FRA Compliance Committee composed senior leaders all from all departments that are regulated and interface with the FRA and State Safety Oversight, including MOW. The committee is working with a consultant to help conduct a gap analysis and provide recommendations for FRA compliance across functions, with a primary focus on MOW training. Management has completed a Scope of Work and the project is proceeding as outlined below:

- Task 1 – Project Management
- Task 2 – Discovery and Gap Analysis
- Task 3 – Implementation strategies
- Task 4 – Training, Staff Development, and Final Report

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

C. 21-02 Preliminary Assessment: Utilities Management

Recommendation R-21-02-04 Standard Operating Procedures

Risk Level: Mod

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Facilities has completed a first draft of a new Utilities Management Standard Operating Procedure.

Issue Owner:

Chief Operations Officer

Current Due Date:

3/31/2026

D. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-05 Standard Operating Procedure Updates

Risk Level: Mod

Audit Committee Report Date: August 23, 2021

Current Status: Open

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Finance and Operations executives are meeting to agree on Fares enforcement for Personal Care Attendants and to reflect that agreement in Fares policy and Operations SOPs.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

E. 22-02 Preliminary Assessment of Light Rail Operations

Recommendation R-22-03 Standard Operating Procedure Updates	Risk Level: Mod
Audit Committee Report Date: October 17, 2022	Current Status: Open

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 Status from Internal Audit:
No update since the last Audit Committee meeting.

Current Management Status Update:
Management has made changes to the 2026 *Transit Agency Safety Plan* and our *Operating Instruction Creation & Revision Procedure* (LRD-00010). Out of 140 instructions identified:

- 59 instructions will remain standalone and are in the process of being rewritten (32 of 59 complete)
- 81 instructions are in the process of being merged into 30 new or existing instructions.
- 10 new instructions have been identified for creation.

All of these documents will or are being updated to align with the 2025 operations document format.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

F. 23-02 Preliminary Assessment of the Vehicle Disposal Process

Recommendation R-23-02-1 Board Approval Over \$200k	Risk Level: Low
Audit Committee Report Date: December 18, 2023	Current Status: Open

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 Status from Internal Audit:

No update since the last Audit Committee meeting.

Current Management Status Update:

Management is reviewing the process for vehicle sales exceeding \$200,000 within the new UTA governance structure.

Issue Owner:

Chief Finance Officer

Current Due Date:

3/31/2026

G. 23-03 Preliminary Assessment of 1099 Reporting

Recommendation R-23-03-1 Required 1099 Forms were not issued	Risk Level: Mod
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 Status from Internal Audit:

Internal Audit completed three follow-up audits by testing 1099 reporting for calendar years 2023, 2024 and most recently 2025 with the assistance of a Certified Public Accountant. These audit tests continued to identify inconsistencies with 1099 reporting outcomes and Internal Audit has made the following Recommendations to Management:

- Management should consider outsourcing 1099 reporting to an accounting firm.
- If Management determines it is not financially or strategically feasible to outsource 1099 reporting, the following actions should be taken:
 - a. Management should research specialty software to assist with 1099 compliance; Workday may potentially have these capabilities.
 - b. Management should review the Supplier Master Information table within JD Edwards and ensure that suppliers are set up in the system as their correct entity type (corporation, s-corporation, etc).
 - c. Management should have employees who prepare Form 1099 attend extensive and recurring training on compliance.

This audit recommendation remains open.

Current Management Status Update:

A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are established to accurately trigger 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 moderate 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 Status from Internal Audit:

Internal Audit completed three follow-up audits by testing 1099 reporting for calendar years 2023, 2024 and most recently 2025 with the assistance of a Certified Public Accountant. These audit tests continued to identify inconsistencies with 1099 reporting outcomes and Internal Audit has made the following Recommendations to Management:

- Management should consider outsourcing 1099 reporting to an accounting firm.
- If Management determines it is not financially or strategically feasible to outsource 1099 reporting, the following actions should be taken:
 - a. Management should research specialty software to assist with 1099 compliance; Workday may potentially have these capabilities.
 - b. Management should review the Supplier Master Information table within JD Edwards and ensure that suppliers are set up in the system as their correct entity type (corporation, s-corporation, etc).
 - c. Management should have employees who prepare Form 1099 attend extensive and recurring training on compliance.

This audit recommendation remains open.

Current Management Status Update:

An IRS Form W-9 Requirements for Claims Settlement SOP and a new 1099 Processing Checklist have been established to accurately trigger 1099s.

Issue Owner:
Chief Financial Officer

Current Due Date:
12/31/2025

H. 23-04 Preliminary Assessment Transit Communication Center

Recommendation R-23-04-1 Safety and Security Procedures	Risk Level: Mod
Audit Committee Report Date: March 11, 2024	Current Status: Open

Recommendation:

[REDACTED]

Current Status from Internal Audit:
No update since last Audit Committee meeting.

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:
Director of Safety and Security

Current Due Date:
3/31/2026

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

Recommendation R-23-05-01 Vendor Master File Process Issue	Risk Level: Mod
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 Status from Internal Audit:
No update since last Audit Committee meeting.

Current Management Status Update:

A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are drafted to ensure all vendor information is collected.

Issue Owner:

Chief Finance Officer

Current Due Date:

12/31/2025

J. 23-11 Recruitment Assessment

Recommendation R-23-11-B Standard Operating Procedures

Risk Level: Mod

Audit Committee Report Date: June 26, 2023

Current Status: Open

Recommendation:

- Update standard operating procedures and include SLAs.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is updating the Talent Acquisition standard operating procedures to align with Workday processes.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

K. 24-06 Preliminary Assessment of Payroll Process

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

Risk Level: Low-Mod

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has implemented an audit in Workday to control vacation sell-back that exceeds policy and is monitoring the audit for accuracy and to enhance the process as needed.

Issue Owner:

Chief Finance Officer

Current Due Date:

3/31/2026

L. 25-03 Purchase Card Program Audit

Recommendation 25-03-01

Level: Mod-High

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

[Redacted]

2. Establish role-based approval rules within the P-Card system, if possible, that permit only designated approvers to approve transactions.

3. If possible, disable self-assignment of approvers within the P-Card system to prevent cardholders from selecting their own approvers.

4. Perform a full access review of all current approvers and cardholders to validate authority levels and role appropriateness.

5. Update P-Card training materials to include explicit instruction on approval routing requirements and restrictions.

Current Status from Internal Audit:

No update since the last Audit Committee meeting.

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:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-02 [REDACTED]

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

[REDACTED]

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

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

[REDACTED]

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-03 [REDACTED]

Risk Level: High

Audit Committee Report Date: September 22, 2025

Current Status: Open

[REDACTED]

Recommendation:

[REDACTED]

[REDACTED]

Current Status from Internal Audit:

No update since last Audit Committee meeting.

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:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-04 [REDACTED]

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

[REDACTED]

Current Status from Internal Audit:

No update since last Audit Committee meeting.

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:

Chief Finance Officer

Current Due Date:

9/22/2026

**Original title was “Cardholders & Approvers did not complete the required training”.*

Recommendation:

1. Update policies and SOPs to clearly mandate annual training for all cardholders and approvers.
2. Identify cardholders and approvers who have not completed training in the past year and require completion.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has obtained a list of all cardholders who have not completed their annual training from the LMS Technical Coordinator. These individuals have been notified by email and given 30 days to complete the requirement. Cardholders who do not comply within that timeframe will have their P-Cards deactivated. The annual training requirement is automated in LMS and assigned to every cardholder. The P-Card SOP has been updated to state that failure to complete annual training by the due date will result in deactivation. Additionally, Management will implement a monthly review of LMS training records to ensure compliance and promptly deactivate cards for any cardholders who have not met the requirement.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation:

1. Develop and deploy a targeted training module for transaction approvers. This training should cover review responsibilities, documentation requirements, and policy compliance.
2. Integrate training compliance tracking into the learning management system (LMS) and establish triggers to notify Finance or Program Administrators when an approver lacks required training.
3. Require periodic refresher training for all transaction approvers, regardless of P-Card holder status.
4. Review and update internal policies to reflect the need for distinct training requirements for different user roles within the P-Card system.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is collaborating with the Corporate Instructional Designer to develop formal training for approvers, ensuring they have a clear and consistent understanding of their responsibilities in the P-Card process. This training will be assigned to all approvers through the LMS, with completion tracked for accountability. In addition, an annual refresher training requirement will be established, and both the initial and refresher training requirements will be incorporated into the P-Card SOP to reinforce compliance and maintain consistency across the program.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-07 P-Cards have been used to purchase individual meals

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

1. Reinforce meal policy requirements through targeted refresher training for all P-Card holders and transaction approvers, emphasizing documentation expectations for meals.
2. Strengthen documentation guidance by providing a template for meal purchase descriptions that includes fields for attendees, purpose, and justification.
3. Update the approval process to include a mandatory checklist for business meal purchases that requires confirming the number of attendees, meeting purpose, and exclusion of unauthorized items.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is developing a mandatory checklist template to document required information for meal purchases. While the U.S. Bank system has limited customization capabilities and cannot accommodate an embedded template or checklist, Management is creating an offline template to be attached to transactions in US Bank. Monitoring and verification of compliance will therefore be conducted manually. Management has adopted Internal Audit's "potential" single meal identification method and incorporate it into the Administrator's monthly close process and will send a reminder email to all cardholders reinforcing this policy. In addition, cardholder and approver LMS training will be updated to emphasize requirements related to food purchases.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

**Original title was “Purchase transactions lack detailed information required by policy”.*

Recommendation:

1. Update training materials and procedures to emphasize the importance of complete descriptions, supporting documentation, and timely approvals.
2. Enforce system validation rules that require detailed descriptions, receipt uploads, and selection of an approver before a transaction can be submitted for review.
3. Develop automated reminders and escalation protocols for reconcilers and approvers who fail to complete tasks within the 8-day reconciliation window.
4. Implement periodic compliance audits to identify users with repeat deficiencies and refer issues to department leadership for follow-up.
5. Restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has updated the P-Card SOP and will update the training materials and Approver training to emphasize the importance of entering complete purchase descriptions, attaching supporting documentation, and ensuring timely approvals during the reconciliation process. To strengthen compliance, Management has worked with U.S. Bank to remove the system’s auto-population of cost center numbers in the description field, ensuring that users must now enter a proper purchase description. Management will work with U.S. Bank where possible to activate automated reminders and escalation protocols for reconcilers and approvers who do not complete their tasks within the eight-day reconciliation window. These reminders will be applied consistently across all cardholder accounts. The P-Card SOP already specifies that accounts not reconciled or approved for two consecutive months will be deactivated, with reactivation requiring CFO approval. We will continue to enforce this policy and, where necessary, restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining. Finally, we will continue conducting periodic compliance audits to identify repeat deficiencies. Any issues identified will be referred to department leadership for follow-up and corrective action.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

M. 25-05 Special Services Operations Audit

Recommendation 25-05-01 Standard Operating Procedures Need Reviewed

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

Operations management should work with the Safety Department and to review safety-related SOPs and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has established a Standard Operating Procedures working group that is finalizing draft edits of SOPs.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-02 Job Description Documents Need Reviewed

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Special Services managers have been assigned to review job descriptions for their areas of responsibility. Reviews are in progress.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-03 Scheduling Call Time Goals

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

IA recommends that management reevaluate scheduling staffing needs to assess if increased staff would shorten average call hold times.

IA recommends that management reevaluate scheduling call time goals. If maintaining the current goal of fielding all calls under two minutes is determined to be practicable, IA recommends that Management provide targeted training and oversight to reduce call times.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has hired three new staff members and is repurposing an existing role to create a supervisor role in Quality and Assurance. Management also is reviewing hold time metrics to ensure they are accurate and will collect and monitor data to verify performance levels.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-04 Scheduling Process Formalization

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

IA recommends that after the successful implementation of Workforce Management that the updated scheduling process be formalized as a Standard Operation Procedure.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is creating a standard operating procedure that documents the process of completing Paratransit next-day trip assignments with driver assignments.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

N. 25-10 Mount Ogden Bus Maintenance Audit

Recommendation R-25-10-01 Standard Operating Procedures Need Reviewed

Risk Level: Mod

Audit Committee Report Date: June 16, 2025

Current Status: Open

Recommendation:

- Operations management should work with the Safety Department to review safety-related SOPs and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is in the process of establishing a new quality management function that will guide and support systematic review, revision, and control of documented procedures within operations, maintenance, and public safety. This work includes the deployment of a quality management system designed to elevate procedures, strengthen compliance, and proactively identify/mitigate operational risks.

Action Plan:

- Review the related procedures in collaboration with the Safety Department.
- Prioritize procedures based on regulatory urgency, operational impact, and risk.
- Implement a recurring review schedule aligned with UTA policy and industry standards.
- Deploy a quality management system to support document control and compliance tracking.

Issue Owner:

Chief Operations Officer

Current Due Date:

June 16, 2026

Recommendation R-25-10-02 Job Description Documents Need Reviewed

Risk Level: Low

Audit Committee Report Date: June 16, 2025

Current Status: Open

Recommendation:

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is in the process of working with HR/Talent Acquisition to review job descriptions. Action Plan:

- Review current job descriptions with maintenance
- Work with the Maintenance General Manger/ Bus Maintenance Director for any new job descriptions needed

Issue Owner:

Chief Operations Officer

Current Due Date:

June 16, 2026

O. 25-01 Environmental Governance Audit

Recommendation R-25-01-01 Develop and Adopt DESP Policy	Risk Level: Mod
Audit Committee Report Date: December 15, 2025	Current Status: Open

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:
 - o Registration for Hazardous Material Permits
 - o Sewer sampling reports
 - o 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:
 - o Construction Storm Water Permits
 - o 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:
 - o UTA Sustainability Report
 - o 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.

Current Status from Internal Audit:

No update since last audit Committee meeting.

Current Management Status Update:

The DESP team currently operates under an existing Environmental Protection Policy and a Sustainability Policy. 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 standalone policy for sustainability and cross-referenced in the Environmental Protection policy.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
November 7, 2026

Recommendation R-25-01-02 Develop SOPs for high priority tasks*

Risk Level: Mod

Audit Committee Report Date: December 15, 2025

Current Status: Open

**The original title was “Develop SOPs for high priority tasks listed in DESP Policy”.*

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:
 - o Petroleum Storage Tank (PST) testing and registration
 - o PST inspections of aboveground and underground tanks
 - o 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.
 - o 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.
 - o 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:
 - o UTA Sustainability Report
 - o 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.
 - o 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.

Current Status from Internal Audit:

No update since last Audit Committee meeting..

Current Management Status Update:

The DESP team currently operates under an existing Environmental Review SOP and an existing SWPPP SOP. Management Action Plan:

- 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.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

November 7, 2026

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.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

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

Issue Owner:

Chief Capital Services Officer

Current Due Date:

November 7, 2026

P. 25-07 Buy America Compliance Audit

Recommendation:

IA recommend that management develop procedures to evaluate the accuracy of minimum domestic content percentages stated by manufacturers and perform those procedures in all bus procurements.

Current Status from Internal Audit:

Management submitted a new action plan for the issue. This demonstrates ongoing attention to the matter.

Current Management Status Update:

Management reviewed existing frameworks for light rail vehicle procurement during Q4 2025 and is developing bus procurement verification procedures during Q1 2026 to implement during Q2-Q3 2026 rail vehicle procurements.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
November 5, 2026

Q. 25-04 Video Security Audit

Recommendation R-25-04-01 Complete and Adopt Video Security Policy Edits **Risk Level: Low-mod**
Audit Committee Report Date: March 9, 2026 **Current Status: Open**

Recommendation:

1. We recommend that Video Security management finalize and adopt the recent review of UTA’s Video Security Policy.
2. We recommend that Video Security management update the policy so that language around prohibited video security usage matches UTA’s Collective Bargaining Agreement.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has completed corrective action. UTA.03.02 Video Security UTA Policy was adopted by the Board of Trustees on April 23, 2026.

Issue Owner:

Director of Safety and Security

Current Due Date:

January 28, 2027

Recommendation R-25-04-02 Complete and Adopt Video Security Agency SOP **Risk Level: Low-mod**
Audit Committee Report Date: March 9, 2026 **Current Status: Open**

Recommendation:

1. We recommend that Video Security management finalize and adopt the Video Security SOP to formally set the key controls of Video Security processes.
2. We recommend that Video Security management consider dividing the Video Security SOP into two separate SOP documents focusing on the following:
 - a. Video System Access, Requests, and Retention, including retention abilities and schedules of all video security systems.
 - b. Reporting System Issues and Assessments, including establishing schedules for completing and tracking functionality assessments.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is proceeding with Video Security SOP updates.

Issue Owner:

Director of Safety and Security

Current Due Date:

January 28, 2027

Recommendation R-25-04-03 Video Security Body Camera Adoption

Risk Level: Low-mod

Audit Committee Report Date: March 9, 2026

Current Status: Open

Recommendation:

1. We recommend that Video Security management work with the UTA Police Department to determine the advisability and feasibility of incorporating body cameras into UTA’s video security measures.
 - a. Considerations in the evaluation should include cost, legal, data management, civil rights considerations, and public relations considerations.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is engaged in finding and selecting a vendor for the body camera feasibility study. Concurrently, Management is investigating body camera platforms and functionality.

Issue Owner:

Director of Safety and Security

Current Due Date:

January 28, 2027

Appendix C: Issues Closed Since Last Report

A. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-04 Securement Training

Risk Level: Mod

Audit Committee Report Date: August 23, 2021

Current Status: Closed

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 Status from Internal Audit:

Management has created a Securement Training for Paratransit and Fixed Route operators and training assignments are made through Workday.

B. 21-06 Preliminary Assessment of Fuel Costs

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

Risk Level: Mod

Audit Committee Report Date: November 15, 2021

Current Status: Closed

**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 Status from Internal Audit:

Management 1) Implemented monthly Laserfiche reporting to Maintenance Managers; 2) Established a quarterly oversight report from Environmental Services to the COO aligning fuel deliveries against pre- and post-fueling checklist completion; and 3) Updated the Fuel and Fluid Delivery and Unloading SOP in November 2025.

C. 22-06 Performance Audit of Support Fleet

Recommendation R-22-06-2 Support Fleet Policies and Procedures

Risk Level: Mod

Audit Committee Report Date: June 27, 2022

Current Status: Closed

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 Status from Internal Audit:

Management adopted a non-revenue vehicle fleet policy on 3/30/2026. The Workday system shows two active trainings related to non-revenue vehicles, one for employees and one for supervisors. Management has addressed the recommendations and the issue will be closed.

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

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 Status from Internal Audit:

Management has implemented requirements for vehicle use threshold and controls to identify vehicles that do not meet those thresholds. Departments are required to submit justification to retain vehicles that do not meet use thresholds. The issue can be closed based on the strength of the control environment.

D. 23-11 Recruitment Assessment

Recommendation R-23-11-C Key Performance Indicators	Risk Level: Low
Audit Committee Report Date: June 26, 2023	Current Status: Closed

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

Current Status from Internal Audit:

Management submitted this issue for closure as accepting risk with the following explanation:

Management acknowledges the open Internal Audit issue related to Talent Acquisition (TA) key performance indicators (KPIs). After further review and discussion, we are asking to accept the risks at this time due to significant changes within the Talent Acquisition team's leadership, structure, and operating environment.

The TA team developed and implemented key metrics and dashboards in 2025, aligned to monitor team level workflows and hiring outcomes (previously provided metric and dashboarding summary). These metrics provide the Acting Director and me with visibility into requisition and hiring volume, cycle times, workload distribution, and hiring manager satisfaction. However, we are not ready to use these metrics to set team member/team KPIs.

The TA team's focus over the next year is intentionally centered on re-aligning and strengthening the team's foundational capabilities. This includes re-examining team structure, re-evaluating workflow distribution, refining and standardizing hiring processes, and cross training TA team members on all hiring modalities to ensure operational flexibility and continuity. These efforts are critical precursors to the implementation of individual/team KPIs and are necessary to ensure fairness, consistency, and accuracy in performance measurements (see 2026 TA One Page for initiatives tied to this).

Despite the absence of KPI based performance expectations, the TA team has successfully met all agency hiring needs in recent years. The agency was fully staffed for April 2025 Change Day (despite major service additions and staffing needs) and is on track to be fully staffed for April 2026 Change Day, demonstrating that current team performance is effectively supporting agency's hiring needs.

Additionally, the agency is engaged in broader work that redefines how employee and leader performance will be examined and rated going forward, including the rollout of Leadership Competencies and a more consistent agency-wide performance review framework. Implementing KPI based performance expectations ahead of this work imposes requirements on the TA team that exceed the agency's current maturity in performance management practices.

We believe acceptance of these risks is appropriate at this time given the reasons outlined above. We will continue to monitor and reassess these items as performance frameworks mature and TA processes and structure stabilize, at which point additional performance measures and process expectations may be required.

Internal Audit accepts the reasoning as presented. Management would be better served by submitting for closure after “re-examining team structure, re-evaluating workflow distribution, refining and standardizing hiring process, and cross training TA team members...”, however UTA’s usual performance management procedures will accomplish the goal of this recommendation.

The job market is favorable to employers as of writing (April 2026) but these conditions change. Management needs to be prepared to continue success when hiring conditions are less ideal. We encourage management to be diligent and thoughtful in setting an environment for the Talent Acquisition team to thrive.

Recommendation R-23-11-E Leadership Strategy Sessions

Risk Level: Mod-High

Audit Committee Report Date: June 26, 2023

Current Status: Closed - Remediated

Recommendation:

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

Current Status from Internal Audit:

IA documented that management has completed strategic planning dating back to at least 2024. This is sufficient evidence to close the issue.

Recommendation R-23-11-G Process Expectations

Risk Level: Low

Audit Committee Report Date: June 26, 2023

Current Status: Closed – Management Accepts Risk

Recommendation:

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

Current Status from Internal Audit:

Management submitted this issue for closure as accepting risk with the following explanation:

Management acknowledges the open Internal Audit issue related to Talent Acquisition process expectations. After further review and discussion, we are asking to accept the risk at this time due to significant changes within the Talent Acquisition team’s leadership, structure, and operating environment.

Regarding process expectations, many of the TA team processes have changed as a direct result of Workday implementation. Processes and workflows continue to be actively monitored and refined to align with new system functionality. At this time, we need flexibility to transition and update workflows/process expectations among the People Office teams with where and how processes flow in Workday. Workflows that used to be solely TA team responsibilities will now transition to HR team responsibilities. We need time to evaluate the flow of our work and make adjustments before process expectations and documentation are finalized.

We believe acceptance of this risk is appropriate at this time given the reasons outlined above. We will continue to monitor and reassess these items as performance frameworks mature and TA processes and structure stabilize, at which point additional performance measures and process expectations may be required.

Internal Audit does not agree with this reasoning for accepting the risk. Changes to leadership and information systems only further the need to communicate with hiring managers and processes. However, we do not believe that an undue amount of risk is being accepted.

E. 25-05 Special Services Operations Audit

Recommendation 25-05-05 Employee Licensing Records

Risk Level: Low-Mod

Audit Committee Report Date: September 22, 2025

Current Status: Closed

Recommendation:

- IA recommends that records of CDL licensure of employees driving revenue vehicles is maintained in a manner where business units can reconcile which employees are coming up on their five-year CDL license expiration date.

Current Status from Internal Audit:

The CDL process is designed to be self-service in Workday. Employees are notified when CDLs are expiring. Reports are sent to service unit admins to schedule renewal appointments. Employees are responsible for updating CDL records in their Workday profiles.

Management created a new process: Office Specialists schedule operators to update their CDLs 45 days ahead of expiration. To identify operators with expiring CDLs, they pull reports from Workforce Management (WFM). They compare the WFM report to a Yondu report that comes from Workday. Operators upload their renewed CDL records in their Workday profiles. HRBPs review and confirm/reject the updated documentation.