



# Utah Transit Authority

## Audit Committee

### MEETING MINUTES - Draft

669 West 200 South  
Salt Lake City, UT 84101

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**Monday, March 11, 2024**

**3:00 PM**

**FrontLines Headquarters**

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**Present:** Chair Carlton Christensen  
Jeff Acerson  
Beth Holbrook  
Bob Stevenson

**Remote:** Troy Walker

Also in attendance were UTA staff and interested community members.

#### 1. Call to Order & Opening Remarks

Chair Christensen welcomed attendees and called the meeting to order at 3:03 p.m. He announced this is an in-person, recorded meeting, with live viewing available online. It was noted Committee Member Troy Walker will be participating remotely.

#### 2. Safety First Minute

Jay Fox, UTA Executive Director, delivered a brief safety message.

#### 3. Consent

##### a. Approval of December 18, 2023 Audit Committee Meeting Minutes

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, to approve the consent agenda. The motion carried unanimously.

#### 4. Audit Committee Actions

##### a. Audit Committee Charter

Annette Royle, UTA Director of Board Governance, presented the Audit Committee Charter for review and adoption by the committee. The charter, which is reviewed by the committee each year, authorizes the committee to direct the internal and external auditing functions of the agency.

Royle provided a brief overview of the charter's mission and duties and the modifications to the 2024 charter. These include adding a confidentiality requirement to member duties as recommended by the State Auditor, and clarification of the committee's duty to review the charter annually and recommended any proposed revisions to the UTA Board of Trustees for adoption.

A question regarding the confidentiality clause was posed by Chair Christensen and

answered by Royle.

A motion was made by Trustee Acerson, and seconded by Committee Member Stevenson, to approve the Audit Committee Charter as presented, and recommend adoption by the Board of Trustees. The motion carried unanimously.

**b. Internal Audit External Assessment Recommendation**

Mike Hurst, Internal Audit Director, presented information and options for an independent audit of the agency's internal audit practices. Standards set by the Institute of Internal Auditors require an external assessment be performed every five years.

Hurst explained the options for completing the assessment which include hiring an external auditor, trading assessment services with a neighboring internal audit team, or conducting a self-assessment followed by an independent validation.

For the self-assessment method, Internal Audit would complete a series of checklists to measure compliance with required auditing standards. An external provider would then review and validate the results. This method will provide more efficiency with no additional cost to the agency.

Discussion ensued. Questions regarding external validation and the credibility of an independent validation were posed by the committee and answered by Hurst.

A motion was made by Trustee Holbrook, and seconded by Committee Member Stevenson, to recommend a self-assessment with independent validation for the Internal Audit External Assessment, as presented. The motion carried unanimously.

**5. Internal Audit Update**

**a. Internal Audit Update**

- **2023 Audit Plan Status**
- **2024 Audit Plan Status**
- **Sales Tax Refund**

Mike Hurst reported on the status of audit activities completed or in progress since the last audit committee meeting held in December 2023. His presentation included a 2023 audit plan status, 2024 audit plan status and upcoming projects, and an update on the sales tax refund project.

Discussion ensued. Questions relating to the vendor master file review, the number of special projects, and the selection and prioritization methods of projects, were posed by the committee and answered by Hurst.

The committee requested a status report of outstanding items from past projects. Hurst said he will prepare and provide a report at each audit committee meeting.

Chair Christensen requested a report on the sales tax refund project at the next audit committee meeting.

**b. 2023 Quality Assurance and Improvement Program**

Mike Hurst was joined by Johanna Goss, UTA Senior Internal Auditor, to present the 2023 Quality Assurance and Improvement Program (QAIP) results.

Hurst detailed one of the standards published by the Institute of Internal Auditors (IIA), relating to quality assurance and improvement activities. The standards require improvement activities be completed annually and UTA Internal Audit meets these standards by completing IIA checklists measuring compliance against the standards.

The QAIP was completed by Goss who provided recommendations based on findings during the review. Hurst drafted an action plan based on these recommendations.

Hurst reviewed the recommendations and associated action plans. These include developing a standard operating procedure (SOP) for Internal Audit, moving the adoption dates of the annual audit plan to March each year to align with the agency's risk assessment, continuing a review of Information Technology governance, seeking outside services for the ethics assurance program, documenting audit reviews, and defining risk ratings.

**6. Internal Audit Reports**

**a. UTA Police Department Ethics and Code of Conduct Preliminary Assessment and Final Report (R-24-05)**

Johanna Goss was joined by Dalan Taylor, UTA Chief of Police, to present a preliminary assessment and final report on the UTA Police Department Ethics and Code of Conduct.

Goss reviewed the audit scope including objectives, review period, and results. The review focused on code of conduct and training rollout and completion. The review found UTA Police Department's code of conduct and training to be aligned and structured around national best practices, including the International Association of Chiefs of Police, and the Peace Officer Standards Training (POST). Goss reported no recommendations following the review.

Discussion ensued. Questions relating to comparable practices with other police departments, alignment with POST, and working relationships with other local jurisdictions, were posed by the committee and answered by staff.

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Discussion ensued. Questions relating to comparable practices with other police departments, alignment with POST, and working relationships with other local jurisdictions, were posed by the committee and answered by staff.

**b. Transit Communication Center Preliminary Assessment (R-23-04)**

Johanna Goss was joined by Jody Richins, UTA Transit Communications Center Manager, to present a preliminary assessment of the Transit Communications Center (TCC).

Goss reviewed the audit scope including objectives, review period, results, and recommendations. The review focused on staffing, dispatcher training, systems and tools. She reported on the tracking of employee training, certifications, and training materials. Updates and interdepartmental coordination on dispatch and other systems were reviewed. Internal Audit recommended TCC management evaluate current headcount levels for sufficient staff coverage.

Discussion ensued. Questions relating to staffing, turnover, dispatch systems, including comparison with other transit agency systems, and connections with other local agency dispatch centers, were posed by the committee and answered by staff.

Jay Fox inquired if UTA's People Office were made aware of the potential TCC staffing needs during the audit process. Goss responded they had not. Chair Christensen noted this as a follow up item to the audit finding.

**c. Asset Capitalization Process Limited Scope Assessment (R-23-08)**

Mike Hurst was joined by Luke Barber, UTA Senior Internal Auditor, and Joan Burke, UTA Capital Assets Control Manager, to present the limited scope assessment for the Asset Prioritization Process.

Barber reviewed the audit scope including the objectives which were to determine the strength of control activities around asset identification and appropriate accounting for assets purchased using grant funding. He noted an exclusion regarding asset valuation and stated this is tested by UTA's external auditors and not included in the scope of this internal audit.

Barber reported a sample review of purchases made through accounts payable and individual purchase cards was conducted. In addition, federal percentage calculations were reviewed although testing remains inconclusive until final journal entries are made. Follow-up work will be performed in this area of the audit in 2024 to determine

accuracy. A report will be provided to the committee later in the year.

Discussion ensued. Questions relating to the scope of the asset valuation, audits completed by the agency's external financial auditors, utilization of grant funds, and monitoring of close out projects, were posed by the committee and answered by staff.

**7. Other Business**

- a. Next Meeting: Monday, June 17th, 2024 at 3:00 p.m.

**8. Adjourn**

A motion was made by Committee Member Stevenson, and seconded by Trustee Holbrook to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 4:10 p.m.

Transcribed by Hayley Mitchell  
Executive Assistant to the Board  
Utah Transit Authority

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials or audio located at:

<https://www.utah.gov/pmnsitemap/notice/896947.html> for entire content.

The meeting video is accessible at:

[https://rideuta.granicus.com/player/clip/287?view\\_id=1&redirect=true](https://rideuta.granicus.com/player/clip/287?view_id=1&redirect=true)

This document along with the digital recording constitute the official minutes of this meeting.

Approved Date:

Carlton Christensen  
Chair, UTA Audit Committee