



# Utah Transit Authority

## Audit Committee

### REGULAR MEETING AGENDA

669 West 200 South  
Salt Lake City, UT 84101

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**Monday, December 18, 2023**

**3:00 PM**

**FrontLines Headquarters**

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UTA Audit Committee will meet in person at UTA FrontLines headquarters (FLHQ) 669 W. 200 S. Salt Lake City, UT. 84101

1. **Call to Order & Opening Remarks** Chair Carlton Christensen
2. **Safety First Minute** Luke Barber
3. **Consent** Chair Carlton Christensen
  - a. Approval of October 16, 2023 Audit Committee Meeting Minutes
4. **Approvals**
  - a. External Auditor Engagement Letters for 2023 Audits (Crowe LLP) Eric Barrett
  - b. 2024 Internal Audit Plan Mike Hurst
5. **Internal Audit Update**
  - a. Internal Audit Update Mike Hurst
    - Strategic Plan Alignment
    - 2023 Audit Plan Status
    - Other Internal Audit Activities
6. **Internal Audit Report Review**
  - a. Vehicle Disposal Preliminary Assessment (23-02) Mike Hurst  
Trice Batty
  - b. Light Rail Operations Audit Report (22-02) Mike Hurst  
Jaron Robertson  
Tony Berger
  - c. Policy Process Consulting Report (23-07) Mike Hurst  
Alisha Garrett
7. **Other Business** Chair Carlton Christensen
  - a. Next Meeting: Monday, March 11, 2024 at 3:00 p.m.

**8. Closed Session**

- a. Discussion Regarding Deployment of Security Personnel, Devices, or Systems

**9. Open Session**

Chair Carlton Christensen

**10. Adjourn**

Chair Carlton Christensen

**Meeting Information:**

- All members of the Audit Committee and meeting presenters will participate in person, however committee members may join electronically as needed.
- Meeting proceedings may be viewed remotely by following the instructions and link on the UTA Board Meetings page - <https://www.rideuta.com/Board-of-Trustees/Meetings>
- Public Comment will not be taken at this meeting, but general comment may be given online through [www.rideuta.com](http://www.rideuta.com). Comments may also be sent via e-mail to [boardoftrustees@rideuta.com](mailto:boardoftrustees@rideuta.com)
- Special Accommodation: Information related to this meeting is available in alternate format upon request by contacting [adacompliance@rideuta.com](mailto:adacompliance@rideuta.com) or (801) 287-3535. Request for accommodations should be made at least two business days in advance of the scheduled meeting.



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# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

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**TO:** Audit Committee  
**FROM:** Jana Ostler, Board Manager

**TITLE:**

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**Approval of October 16, 2023 Audit Committee Meeting Minutes**

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**AGENDA ITEM TYPE:**  
Minutes

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**RECOMMENDATION:**  
Approve the minutes of the October 16, 2023 Audit Committee meeting

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**BACKGROUND:**  
A regular meeting of the UTA Audit Committee was held in person and broadcast live through the UTA meetings website on Monday, October 16, 2023 at 3:00 p.m. Minutes from the meeting document the actions of the committee and summarize the discussion that took place in the meeting. A full audio recording of the meeting is available on the [Utah Public Notice Website](https://www.utah.gov/pmn/sitemap/notice/864877.html) [<https://www.utah.gov/pmn/sitemap/notice/864877.html>](https://www.utah.gov/pmn/sitemap/notice/864877.html) and video feed is available through the UTA Meetings website at <https://rideuta.com/Board-of-Trustees/Meetings>

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**ATTACHMENTS:**  
2023-10-16\_AUDIT\_Minutes\_UNAPPROVED



# Utah Transit Authority

## Audit Committee

### MEETING MINUTES - Draft

669 West 200 South  
Salt Lake City, UT 84101

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**Monday, October 16, 2023**

**3:00 PM**

**FrontLines Headquarters**

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**Present:** Chair Carlton Christensen  
Jeff Acerson  
Beth Holbrook  
Troy Walker

**Remote:** Mark Johnson

Also attending were UTA staff and interested community members.

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

Chair Christensen welcomed attendees and called the meeting to order at 3:05 p.m. He announced this is an in-person, recorded meeting, with live viewing available online. It was noted Committee Member Mark Johnson will be participating remotely. Viola Miller, UTA Chief Financial Officer, attended the meeting on behalf of Jay Fox, UTA Executive Director, who was excused.

#### **2. Safety First Minute**

Neiufi 'Ionigi, UTA Public Policy Analyst, delivered a brief safety message.

#### **3. Consent**

##### **a. Approval of June 26, 2023 Audit Committee Meeting Minutes**

A motion was made by Committee Member Walker, and seconded by Committee Member Johnson, to approve the consent agenda. The motion carried unanimously.

#### **4. Internal Audit Update**

##### **a. Internal Audit Update**

- **Strategic Plan Alignment**
- **2022 Audit Plan Status**
- **2023 Audit Plan Status**
- **Other Internal Audit Activities**

##### **Strategic Plan Alignment**

Mr. Hurst, UTA Internal Audit Director, referenced the previous Audit Committee meeting in June 2023 where he outlined his plan to align the 2023 audit plan projects with the five priorities from the agency's 2022-2030 Strategic Plan. He mentioned the 2024 audit plan will follow a similar format

##### **2022 Audit Plan Status**

Mr. Hurst referenced the 2022 Audit Plan Status as closed out with the final project, Transit Oriented Development, as completed. A report out on this project is detailed under agenda item 5. Internal Audit Report Review.

**2023 Audit Plan Status**

Mr. Hurst provided an audit plan status update for 2023 which included continued, new, special, and outsourced projects. The status included projects completed, in progress, and expectant start dates under 2023 special projects.

**Other Internal Audit Activities**

Other audit activities were presented by Mr. Hurst which included conflict of interest forms, staff safety certification training, sales tax refund project, and equal opportunity investigations and related governance.

Questions relating to safety certification training and the agency sales tax refund project were posed by the Board and answered by Mr. Hurst.

**b. 2023 Fraud Risk Assessment**

Mr. Hurst discussed the Fraud Risk Assessment checklist. This is required by the State Auditor and reviews the agency's controlled environment to detect and prevent fraud. This was completed by the Internal Audit team with the assistance of Ms. Miller and the finance team. Mr. Hurst was pleased to report the agency received a perfect score of 395/395.

Mr. Hurst touched upon some key aspects of the assessment:

- Separation of duties within accounting functions remains a strength.
- A cash management policy was drafted. This had been an issue in prior year's audits.
- A need for revisions within the agency's ethics training.

A question regarding the timeline for the ethics training revisions was posed by Chair Christensen and answered by Mr. Hurst.

**5. Internal Audit Report Review****a. Transit Oriented Development Audit Report (20-02)**

Paul Drake, UTA Director of Real Estate and Transit Oriented Development (TOD), joined Mr. Hurst to present the TOD report.

Mr. Hurst noted a preliminary assessment was completed in 2020 with a follow up planned in 2021. This was moved to the 2022 audit plan due to some restructuring within the TOD department. In 2022, the laws relating to TOD had changed significantly and the initial assessment completed in 2020 became obsolete. A limited scope audit was completed in 2022 focusing on governance, systems analysis, financial

management, and conflict of interest.

Mr. Hurst stated the Conflict of Interest management is owned by UTA's Internal Audit department. Accordingly, the audit of this process was outsourced to UDOT's Internal Audit team who provided their recommendations. These include updating TOD processes, including the ethics policy with training to require the reporting of conflict of interests when they occur instead of annually. Accurate records of employee training completion is required.

Mr. Drake reported on work in progress including a review and update of TOD processes and policies.

Discussion ensued. Questions pertaining to the original systems analysis tool, the new TOD processes, policy changes and completion dates, and the monitoring and documenting of completed training records, were posed by the Board and answered by Mr. Hurst and Mr. Drake.

**b. Support Fleet Performance Audit Report (22-06)**

Mr. Hurst was joined by Dan Hofer, UTA Director of Capital Assets & Project Controls, and Trice Batty, UTA Non-Revenue Vehicle Performance & Maintenance Manager.

Mr. Hurst reviewed the Support Fleet Performance audit scope conducted in 2022-2023. Associated activities included follow up on issues from 2022, a risk and fraud assessment, and the testing of key controls. Control testing included a review of vehicle registration, titles, and emissions inspections. Discoveries included three missing vehicle registrations and nine missing titles. Mr. Hurst noted these findings posed minimal concerns and are non-reportable issues. All vehicles were compliant with emissions inspections during the testing period.

Mr. Hurst noted during the Risk and Fraud Risk Assessment, 24 key risks were evaluated, ranging from topics such as maintenance, record keeping, and legal compliance. Several risks were identified and Internal Audit provided recommendations for management to implement and strengthen these controls.

A discussion ensued regarding systems and controls to monitor driver eligibility and approved usage of vehicles, including periodic reviews. Chair Christensen requested a follow up on this item during the next phase of the audit.

Mr. Hurst reported on remedial action which included the hiring of additional staff within the department, installation of Geotrackers in all vehicles, development of policies and procedures, staff training, and the procurement of a check out management system. Several of these controls are already in place or are being developed. It was noted controls are now in place to remove the risk of undetected vehicle theft. This risk was cited as a major concern during the 2022 audit.

Mr. Hurst outlined next steps which include management to review, develop, and fully implement systems, controls, and procedures, as recommended by Internal Audit with a third phase, follow-up audit, conducted in 2024 as part of the Internal Audit Plan.

During the presentation, several questions were posed by the Board and answered by staff. Topics included clarification of UTA's off-road vehicles, procurement of missing vehicle titles, vehicle fleet centralized funding, rightsizing, and driver eligibility, and approved usage.

Commitments made by staff included: Mr. Hofer to locate or obtain missing vehicle titles, and the Enterprise Strategy Office to work with the vehicle fleet team to determine the process for driver eligibility and vehicle usage approval with associated controls for periodic review and monitoring.

**c. Supply Chain Warehouse Performance Audit Report (23-01)**

Johanna Goss, UTA Senior Internal Auditor, was joined by Scott Ith, UTA Warehouse & Inventory Operations Manager, to present the Performance Audit for the Supply Chain Warehouse.

Ms. Goss outlined the audit scope which included the testing of key performance indicators (KPI) to evaluate warehouse success during the review period of July 2022 - July 2023.

A number of successful practices were identified:

- Inventories completed at all warehouse locations were accurate and within specified limits.
- Parts provided to maintenance shops met or exceeded Original Equipment Manufacturer (OEM) standards.
- Warehouse accurately filled orders with the ability to quickly resolve discrepancies.
- No safety incidents were identified during the review period.

Challenges identified included:

- Significant overtime charges, although this does not warrant additional headcount.
- Vehicle downtime due to missing parts - mostly attributed to procurement supply chain issues.
- The Warehouse shares a central space with a maintenance shop which presents limited space for both groups. Future long-term planning should include consideration for space and growth needs.

Several questions were posed by the Board and answered by staff. Topics included overtime versus additional headcount, parts ordering process, shared inventory, and plans for future warehouse expansion.

**d. Recruitment Assessment Report (23-11)**

Mike Hurst was joined by Kim Shanklin, UTA Chief People Officer, and Greg Gerber, UTA Talent Acquisition Director, to deliver the Recruitment Assessment Report.

Mr. Hurst noted the report is a synthesis of a third-party assessment completed in June 2023 and includes a management action plan focusing on high priority action items.

Ms. Shanklin reported on management action plans for the People Office.

Action items include:

- Design and implement a new Human Resources Information System (HRIS) expected to be implemented in early 2025.
- Update standard operating procedures (SOPs), to include service level agreements (SLAs) by mid-2024.
- Develop and track Key Performance Indicators (KPIs), to enable data driven decision making.

Mr. Gerber spoke to the management action plan pertaining to Talent Acquisition (TA). He referenced a new structure within the TA team to increase headcount to support data entry assignments. In addition, leadership strategy sessions will be conducted to align TA team priorities. SOPs will also be developed by the end of the year and SLAs in 2024.

Discussion ensued. Several questions were posed by the Board and answered by staff. Topics included the functions and procurement of the HRIS, time frames for SOPs and SLAs, tracking of KPIs, hiring speed, retention, recruitment, and employee incentives.

**6. Other Business**

- a. Next Meeting: Monday, December 18th, 2023 at 3:00 p.m.

**7. Closed Session****a. Discussion Regarding Deployment of Security Personnel, Devices, or Systems**

A motion was made by Committee Member Walker, and seconded by Trustee Holbrook, for closed session. The motion carried by unanimous vote and the closed session convened at 4:44 p.m.

**8. Open Session**

A motion was made by Trustee Acerson, and seconded by Committee Member Walker, to return to open session. The motion carried by unanimous vote and the meeting reconvened in open session at 5:06 p.m.

**9. Adjourn**

A motion was made by Trustee Acerson, and seconded by Beth Holbrook, to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 5:07 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 and audio located at <https://www.utah.gov/pmn/sitemap/notice/864877.html> for entire content.

Meeting materials along with a time-stamped video recording may also be accessed at [https://rideuta.granicus.com/player/clip/260?view\\_id=1&redirect=true&h=e34ee721309f383c8d4eca83bb3b9e3c](https://rideuta.granicus.com/player/clip/260?view_id=1&redirect=true&h=e34ee721309f383c8d4eca83bb3b9e3c)

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

Approved Date:

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Carlton Christensen  
Chair, UTA Audit Committee



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Viola Miller, Chief Financial Officer  
**PRESENTER(S):** Eric Barrett, Acting Comptroller

**TITLE:**

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**External Auditor Engagement Letters for 2023 Audits (Crowe LLP)**

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**AGENDA ITEM TYPE:**

Audit - Approval

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**RECOMMENDATION:**

Approve the engagement letters with Crowe LLP for UTA's 2023 external financial, pension, and single audits and NTD agreed upon procedure.

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**BACKGROUND:**

Crowe LLP has been contracted to perform UTA's external financial audit, single audit, pension audit, and agreed upon procedure for National Transit Database (NTD) compliance. Upon the completion of these audits, Crowe LLP will issue the following opinion letters:

- Independent Auditor's Report on the Financial Statements of Utah Transit Authority and Defined Benefit Pension Plan
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
- Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
- Independent Auditor's Report on Compliance on Internal Controls Over Compliance in Accordance with the

General engagement letters were included in the contract approved by the Board on November 4, 2020, but due to external factors facing audits and legal issues, these engagement letter will change over the term of the 5-year contract. Each audit year, Crowe LLP will require an updated engagement letter that addresses changes in the dynamic audit and legal environment and any new requirements in place as of the date of the letter.

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#### **DISCUSSION:**

The objective of the audit is the expression of an opinion on the financial statements. The audit in accordance with auditing standards generally accepted in the United States of America. These include the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Those standards require reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that UTA report on the Schedule of Expenditures of Federal Awards (as noted above), and on UTA's compliance with laws and regulations and on its internal controls as required for a Single Audit. Because of inherent limitations of an audit and internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

The NTD agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. There is no obligation to perform any procedures beyond those agreed to by UTA. Those agreed upon procedures are in accordance with guidance from the FTA.

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#### **ALTERNATIVES:**

UTA could refuse the terms of the engagement letter and seek alternative auditors for the 2023 Audits.

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#### **FISCAL IMPACT:**

5-year Contract Amount \$642,920

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#### **ATTACHMENTS:**

- 1) Audit Engagement Letter
  - 2) NTD Engagement Letter
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**Crowe LLP**

Independent Member Crowe Global

3815 River Crossing Parkway, Suite 300,  
Indianapolis, IN 46240-0977  
Tel 317-569-8989  
Fax 317-706-2660  
www.crowe.com

November 28, 2023

Ms. Viola Miller  
Utah Transit Authority  
669 West 200 South  
Salt Lake City, Utah 84101

Dear Ms. Miller:

This letter confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to Utah Transit Authority ("you", "your", "Authority" or "Client").

Crowe will apply agreed-upon procedures over the Federal Funding Allocation Statistics (FFA-10) form for the year ended December 31, 2023 from information you provide. The intended purpose of the engagement is to assist the specified parties in evaluating Client's compliance with the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993 for the use of Client and the Federal Transit Administration (FTA), pursuant to the *2023 Policy Manual*. Client is responsible for compliance with those requirements.

## PROFESSIONAL SERVICES

### Our Responsibilities

The agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We have no obligation to perform any procedures beyond those agreed to by you and FTA and have been acknowledged to be appropriate for your purposes. If we were to perform additional procedures, other matters might come to our attention that would be reported to you. It is understood that we will prepare a report reflecting our findings of the procedures for use by you and FTA. We make no representations as to the adequacy of these procedures for your or FTA's purposes.

If you decide that additional procedures are needed, we will discuss those with you. It is customary for us to document such revisions by an addendum to this letter. If you wish to add specified users of the report, we will require that you provide, at the conclusion of the engagement, written representation that you have obtained the specified users' agreement to the procedures and acknowledgement that the procedures performed are appropriate for their purposes.

The agreed-upon procedures do not contemplate obtaining the understanding of internal control or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an examination. Thus, this engagement does not provide assurance that we will become aware of significant matters that would be disclosed in an examination. Client agrees not to rely on our engagement to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any significant errors that may come to our attention. Our engagement will not enable us to address legal or regulatory matters or abuses of management discretion, which matters should be discussed by you with your legal counsel. You are also

responsible for the accuracy and completeness of the information provided to Crowe for purposes of this engagement and for timely updating such information. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Our procedures and work product are intended for the benefit and use of you and FTA. This engagement will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. The working papers for this engagement are the property of Crowe and constitute confidential information.

If, for any reason, we are unable to complete the agreed-upon procedures, we will not issue a report as a result of this engagement.

#### Client's Responsibilities

The agreed upon procedures are listed in Attachment A. You agree to the procedures included in Attachment A and acknowledge that the procedures are appropriate for the intended purpose of the engagement.

In addition to your use, other specified parties including FTA, will be requested by you to agree to the procedures and acknowledge that the procedures performed are appropriate for their purposes.

You agree to provide a written representation letter at the conclusion of the engagement. Because of the importance of the written representations to this engagement, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by you, the engaging party.

The Client is responsible for providing to us, on a timely basis, all information of which you are aware that is relevant to this agreed-upon procedures engagement. The Client is also responsible for providing such other additional information we may request for the purpose of this engagement, and unrestricted access to persons within the Client from whom we determine it necessary to perform the agreed-upon procedures.

#### Other Matters

Our report is expected to be restricted to your use and the use of FTA.

Although the actual language of our report may change as a result of our procedures, we presently expect our independent accountant's report on the agreed-upon procedures to read as follows:

We have performed the attached procedures on the Federal Funding Allocation Statistics Form FFA-10 (FFA-10), related to the Authority's compliance with the Federal Transit Administration's (FTA) Declarations section of the *2023 Policy Manual* and the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, as of December 31, 2023. The Authority is responsible for its compliance with those requirements.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance with the above specified requirements. Additionally, FTA has agreed to and acknowledged that the procedures are appropriate to meet their purposes. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all

the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures and reporting on findings based on the procedures performed.

The procedures and the associated findings will be inserted.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority and FTA and is not intended to be, and should not be, used by anyone other than these specified parties.

#### MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Crowe deliverable.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement"), in combination with the Professional Services Agreement 20-03230 (PSA) reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter, the Professional Services Agreement (PSA), and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. Notwithstanding any language to the contrary, the PSA terms and conditions take precedence over the terms and conditions contained in this Engagement Letter. This Agreement may not be amended or varied except by a written document signed by each party. No provision of this Agreement will be deemed waived, unless such waiver will be in writing and signed by the party against which the waiver is sought to be enforced. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. Each party shall remain obligated to the other party under all provisions of this Agreement that expressly or by their nature extend beyond and survive the expiration or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and

accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement, including any dispute arising out of or related to this Agreement and the parties' relationship generally, will be governed and construed in accordance with the laws of the State of Utah applicable to agreements made and wholly performed in that state, without giving effect to its conflict of laws rules to the extent those rules would require applying another jurisdiction's laws.

\* \* \* \* \*

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this Agreement are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page Follows)

**ACCEPTANCE**


I have reviewed the arrangements outlined above and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Client and Crowe have duly executed this Agreement effective the date first written above.

Utah Transit Authority

Crowe LLP

\_\_\_\_\_  
Signature\_\_\_\_\_  
Signature\_\_\_\_\_  
Printed Name\_\_\_\_\_  
Bradley Schelle\_\_\_\_\_  
Printed Name\_\_\_\_\_  
Title\_\_\_\_\_  
Partner\_\_\_\_\_  
Title\_\_\_\_\_  
Date\_\_\_\_\_  
11/28/23\_\_\_\_\_  
Date

DocuSigned by:  
  
70E33A415BA44F6...  
Utah Assistant Attorney General

12/8/2023



## ATTACHMENT A – PROPOSED AGREED UPON PROCEDURES

The procedures below were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles (VRM), fixed guideway (FG), directional route miles (DRM), passenger miles traveled (PMT), and operating expenses (OE) of the District for the fiscal year ending December 31, 2023 for each of the following modes:

- Motor Bus – Directly Operated (MBDO)
  - Commuter Bus – Directly Operated (CBDO)
  - Commuter Rail – Directly Operated (CRDO)
  - Light Rail – Directly Operated (LRDO)
  - Demand Response – Directly Operated (DRDO)
  - Demand Response – Purchased Transportation (DRPT)
  - Motor Bus – Purchased Transportation (MBPT)
  - Vanpool – Directly Operated (VPDO)
- a. Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630 and as presented in the 2023 Policy Manual. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.
  - b. Discuss the procedures (written or informal) with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data over:
    - The extent to which the transit agency followed the procedures on a continuous basis, and
    - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630 dated January 15, 1993, and as presented in the 2023 Policy Manual.
  - c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.
  - d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, haphazardly select three months out of the year and observe whether the document exists for each of these periods.
  - e. Discuss the system of internal controls by inquiring whether separate individuals (independent of the individuals preparing source documents and posting data summaries) obtain the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews in order to perform procedure f.
  - f. Select a random sample of 3 source documents for each mode and observe whether supervisors' signatures are present. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.
  - g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Recalculate the arithmetical accuracy of the summaries.
  - h. Observe the procedure for accumulating and recording passenger miles traveled (PMT) data and inquire whether the procedure is one of the methods specifically approved in the 2023 Policy Manual.
  - i. Inquire with transit agency staff the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Observe whether the transit agency meets NTD criteria that allow transit

agencies to conduct statistical samples for accumulating PMT data every third year rather than annually by specifically observing the following:

- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
  - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
  - Service purchased from a seller is included in the transit agency's NTD report.
  - For transit agencies that meet one of the above criteria, observe the NTD documentation for the most recent mandatory sampling year and observe that statistical sampling was conducted and meets the 95 percent confidence and  $\pm 10$  percent precision requirements.
  - Inquire how the transit agency estimated annual PMT for the current report year.
- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, observe that the universe of runs was the sampling frame. Observe that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, observe that a replacement sample run was random. Observe that the transit agency followed the stated sampling procedure.
- k. Select a random sample of three source documents for each mode for accumulating PMT data and determine that the data are complete by comparing the data in the accumulation periods to the total (all required data are recorded) and that the computations are accurate by recalculating. Select a random sample of three accumulation periods for each mode and re-compute the accumulations for each of the selected periods. Recalculate the arithmetical accuracy of the summary.
- l. Inquire with management regarding the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with transit agency staff and determine that they follow the stated procedures by selecting a random sample of three source documents for each mode used to record charter and school bus mileage and recalculate the arithmetical accuracy of the computations.
- m. For actual vehicle revenue mile (VRM) data, observe the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
- If actual VRMs are calculated from schedules, observe the procedures used to subtract missed trips. Select a random sample of three days that service is operated and re-compute the daily total of missed trips and missed VRMs. Recalculate the arithmetical accuracy of the summary.
  - If actual VRMs are calculated from hubodometers, observe the procedures used to calculate and subtract deadhead mileage. Select a random sample of three hubodometer readings and observe that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Recalculate the arithmetical accuracy of the summary of intermediate accumulations.
  - If actual VRMs are calculated from vehicle logs, select a random sample of three vehicle logs for each mode and observe that the deadhead mileage has been correctly computed in accordance with FTA definitions by recalculating deadhead mileage.
- n. For rail modes, observe the recording and accumulation sheets for actual VRMs and observe that locomotive miles are not included in the computation.

- o. If fixed guideway or High Intensity Bus directional route miles (FG or HIB DRM) are reported, inquire of the person responsible for maintaining and reporting the NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Bus (HIB) in that the service is:
  - Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR) or
  - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW), and
    - Access is restricted
    - Legitimate need for restricted access is demonstrated by peak period level of service D or worse on parallel adjacent highway, and
    - Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation
- p. Observe the measurement of FG and HIB DRM with the person reporting NTD data and inquire if he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and compare the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.
- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply to management:
  - Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
  - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.
- r. Recalculate FG/HIB DRM from maps or by retracing route.
- s. Inquire whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, observe that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. (Note: Each transit agency should report the actual VRM, PMT, and OE for the service operated over the same FG/HIB.)
- t. Obtain the FG/HIB segments form. Inquire regarding the Agency Revenue Service Start Date for any segments added in the 2023 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Observe that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. (Note: If a segment was added for the 2023 report year, the Agency Revenue Service Date must occur within the transit agency's 2023 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.)
- u. Compare operating expenses in the FFA-10 with audited financial data after reconciling items are removed.

- v. If the transit agency purchases transportation services, inquire with the personnel reporting the NTD data regarding the amount of PT generated fare revenues. Observe the PT fare revenues equal the amount reported on the Contractual Relationship form.
- w. If the transit agency's report contains data for purchased transportation services and the procedures in this report were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Note as a negative finding if the purchased transportation services were not included in this report, and the transit agency also does not have a separate Independent Accountant's Statement for the purchased transportation data.
- x. If the transit agency purchases transportation services, obtain a copy of the PT contract and observe that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Inquire of the person responsible for retention of the executed contract whether copies of the contracts are retained for three years.
- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and observe the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and observe that the stated procedure is followed and that the computations are correct through recalculation.
- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Inquire of transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.



**Crowe LLP**  
Independent Member Crowe Global

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November 28, 2023

Ms. Viola Miller  
Utah Transit Authority  
669 West 200 South  
Salt Lake City, Utah 84101

Dear Ms. Miller:

This letter confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to Utah Transit Authority ("you", "your" or "Client"). The attached Crowe Engagement Terms, and any other attachments thereto, are integral parts of this letter, and such terms are incorporated herein.

## AUDIT SERVICES

### Our Responsibilities

We will audit and report on the financial statements of the Client for the year ending December 31, 2023.

We will audit and report on the financial statements of the business-type activities which collectively comprise the basic financial statements of the Client for the period(s) indicated.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Supplemental Schedules of Revenues, Expenses and Changes in Net Position – Budget and Actual
- Schedule of Expenditures of Federal Awards

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Required Employer Contributions
- Management's Discussion and Analysis

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we obtain reasonable, rather than

absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards (as noted above), and on your compliance with laws and regulations and on its internal controls as required for a Single Audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount that we believe would influence the judgment made by a reasonable user of these financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. As required by the standards, we will maintain professional skepticism throughout the audit.

In making our risk assessments, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Client's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Client's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

As part of our audit, we will conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for a reasonable period of time.

We expect to issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to those charged with governance of the Client. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph or a separate section in the auditor's report, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government*



*Auditing Standards* — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Client's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

- Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance -- The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.
- Independent Auditor's Report on Compliance on Internal Controls Over Compliance in Accordance with the State Compliance Audit Guide - The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the State Compliance Audit Guide. Accordingly, this report is not suitable for any other purpose.
- Independent Auditor's Report on the Financial Statements of Utah Transit Authority Defined Benefit Pension Plan (Plan) – The purpose of this report is to express an opinion on the fair presentation, in all material respects, the respective fiduciary net position of the Plan as of December 31, 2023 and respective changes in fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any non-reportable conditions or other matters involving internal control, if any, as required by the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. However, the objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

Our audit and work product are intended for the benefit and use of the Client only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible

interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information.

However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

There is no critical path schedule or completion date requirements as a part of this engagement.

*Government Auditing Standards* require that we provide you with a copy of our most recent peer review report, which accompanies this letter along with the related letter of comment and response thereto.

#### The Client's Responsibilities

The Client's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

The Client's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Management has the responsibility to make Crowe aware of significant contractor relationships in which the contractor is responsible for program compliance. Client's management is responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports. Additionally, it is management's responsibility to follow up and take corrective action on reported audit findings, to establish and maintain a process for tracking the status of findings and recommendations, and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, to safeguard assets, and to design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements and to devise policies to ensure that the Client complies with applicable laws and regulations.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for one year from the date the Financial Statements are available to be issued.



Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Client from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Client, and their knowledge of any fraud or suspected fraud affecting the Client.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements, and to the Client's compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by Client of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor's reports or nine months after the end of the audit period.

## OTHER SERVICES

### Financial Statement Preparation

The Client will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the Client to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the

financial statements.

#### Data Collection Form input services

We will provide assistance in completing sections of the Data Collection Form (DCF) relative to its federal award programs pursuant to the requirements of Section §200.512 of the Uniform Guidance that are promulgated to be completed by the Client. While we may provide this data entry service and assist you in satisfying your electronic data communication requirements to the Federal Audit Clearinghouse, the completeness and accuracy of this information remains the responsibility of your management.

With respect to the above other services, we will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities. In connection with performing the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

#### FEES

Our fees, inclusive of out-of-pocket expenses and certain internal technology charges, are outlined below. We will also invoice you for a business services fee, to be billed at 5% of other invoiced fees. The business services fee reflects our estimate of costs including but not limited to technology, data security, administrative support, processing support and other related support on this engagement. We will bill on a monthly basis according to the progress of the audit and our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees. If any amounts invoiced remain unpaid 30 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

Description of Services	Fee Amount
Audit of Utah Transit Authority	\$80,500
Audit of Utah Transit Authority Defined Benefit Pension Plan	\$16,665
Total	\$97,165

The fees outlined above are based on certain assumptions. Those assumptions may be incorrect due to incomplete or inaccurate information provided, or circumstances may arise under which we must perform additional work, which in either case will require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing service requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- Evidence of material weakness or significant deficiencies in internal controls
- Substantial increases in the number of significant deficiencies in internal controls
- Regulatory examination matters
- Change in your organizational structure or size due to merger and acquisition activity or other events
- Change in your controls
- New or unusual transactions

- Agreed-upon level of preparation and assistance from your personnel not provided
- Numerous revisions to your information
- Lack of availability of appropriate Client personnel during fieldwork.
- Additional audit procedures relating to the impact of COVID-19 on Client or additional regulatory requirements relating thereto.

Additionally, to accommodate requests to reschedule fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed upon deadlines could be impacted.

Due to such potential changes in circumstance, we reserve the right to revise our fees. However, if such a change in circumstances arises or if some other significant change occurs that causes our fees to exceed our estimate, we will advise management.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

The Client and Crowe agree that the Client may periodically request Crowe to provide additional services for accounting and reporting advice regarding completed transactions and potential or proposed transactions. The fees for such additional services will be based on Crowe's hourly billing rates plus expenses or as mutually agreed upon between the Client and Crowe.

To facilitate Crowe's presence at Client's premises, Client will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on Client's premises. In the event Client does not provide Crowe with internet access while on Client's premises, Client will reimburse Crowe for the cost of internet access through other means while on Client's site.

#### MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Crowe deliverable.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement"), in combination with the Professional Services Agreement 20-03230 (PSA), reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter, the Professional Services Agreement (PSA), and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. Notwithstanding any language to the contrary, the PSA terms and conditions take precedence over the terms and conditions contained in this Engagement Letter. This Agreement may not be amended or varied except by a written document signed by each party. No provision of this Agreement will be deemed waived, unless such waiver will be in writing and signed by the party against which the waiver is sought to be enforced. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement.

Each party shall remain obligated to the other party under all provisions of this Agreement that expressly or by their nature extend beyond and survive the expiration or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement, including any dispute arising out of or related to this Agreement and the parties' relationship generally, will be governed and construed in accordance with the laws of the State of Utah applicable to agreements made and wholly performed in that state, without giving effect to its conflict of laws rules to the extent those rules would require applying another jurisdiction's laws.

\* \* \* \* \*

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this Agreement and the attached Crowe Engagement Terms are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page Follows)

**ACCEPTANCE**

I have reviewed the arrangements outlined above and in the attached "Crowe Engagement Terms," and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Client and Crowe have duly executed this Agreement effective the date first written above.

Utah Transit Authority

Crowe LLP

\_\_\_\_\_  
Signature\_\_\_\_\_  
*Bradley T Schelle*  
Signature\_\_\_\_\_  
Printed Name\_\_\_\_\_  
Bradley Schelle\_\_\_\_\_  
Printed Name\_\_\_\_\_  
Title\_\_\_\_\_  
Partner\_\_\_\_\_  
Title\_\_\_\_\_  
Date\_\_\_\_\_  
11/28/23\_\_\_\_\_  
Date

DocuSigned by:  
*Mike Bell* 12/8/2023  
70E33A415BA44F6...

Utah Assistant Attorney General

### **Crowe Engagement Terms**

Crowe wants Client to understand the terms under which Crowe provides its services to Client and the basis under which Crowe determines its fees. These terms are part of the Agreement and apply to all services described in the Agreement as well as all other services provided to Client (collectively, the "Services"), unless and until a separate written agreement is executed by the parties for separate services. Any advice provided by Crowe is not intended to be, and is not, investment advice.

**CLIENT'S ASSISTANCE** – For Crowe to provide Services effectively and efficiently, Client agrees to provide Crowe timely with information requested and to make available to Crowe any personnel, systems, premises, records, or other information as reasonably requested by Crowe to perform the Services. Access to such personnel and information are key elements for Crowe's successful completion of Services and determination of fees. If for any reason this does not occur, a revised fee to reflect additional time or resources required by Crowe will be mutually agreed. Client agrees Crowe will have no responsibility for any delays related to a delay in providing such information to Crowe. Such information will be accurate and complete, and Client will inform Crowe of all significant tax, accounting and financial reporting matters of which Client is aware.

**PROFESSIONAL STANDARDS** – As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

**REPORTS** – Any information, advice, recommendations or other content of any memoranda, reports, deliverables, work product, presentations, or other communications Crowe provides under this Agreement ("Reports"), other than Client's original information, are for Client's internal use only, consistent with the purpose of the Services. Client will not rely on any draft Report. Unless required by an audit or other attestation professional standard, Crowe will not be required to update any final Report for circumstances of which we become aware or events occurring after delivery.

**CONFIDENTIALITY** – Except as otherwise permitted by this Agreement or as agreed in writing, neither Crowe nor Client may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Client use of any Crowe work product will be limited to its stated purpose and to Client business use only. However, Client and Crowe each agree that either party may disclose such information to the extent that it: (i) is or becomes public other than through a breach of this Agreement, (ii) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (iii) was known to the recipient at the time of disclosure or is thereafter created independently, (iv) is disclosed as necessary to enforce the recipient's rights under this Agreement, or (v) must be disclosed under applicable law, regulations, legal process or professional standards.

**USE OF SUBCONTRACTORS FOR SERVICE DELIVERY** – Crowe may engage third-party subcontractors in delivering Services to Client. Third-party subcontractors are not owned or controlled by Crowe (including without limitation Crowe Global member firms). If Crowe engages such a subcontractor to deliver Services to Client, Crowe will execute an agreement for the protection of Client's confidential information consistent with the provisions of this Agreement. Crowe will be solely responsible for the provision of Services (including those provided by subcontractors) and for the protection of Client's confidential information. The limitations in this Agreement on Client's remedies will also apply to any subcontractors.

**USE OF THIRD-PARTIES IN CROWE OPERATIONS** – Crowe uses third-party providers in the ordinary course of Crowe business operations. Third-party providers used in the ordinary course of Crowe



business operations include without limitation email providers, cyber-security providers, and data hosting centers. Crowe also uses its subsidiaries (owned and controlled by Crowe) within and outside the United States for various administrative and support roles. Crowe subsidiaries and any third-party providers used in the ordinary course of Crowe business operations will meet the confidentiality and data protection requirements in this Agreement. The limitations in this Agreement on Client's remedies will also apply to any such third-party providers and Crowe subsidiaries.

**CLIENT-REQUIRED CLOUD USAGE** – If Client requests that Crowe access files, documents or other information in a cloud-based or web-accessed hosting service or other third-party system accessed via the internet, including, without limitation iCloud, Dropbox, Google Docs, Google Drive, a data room hosted by a third party, or a similar service or website (collectively, "Cloud Storage"), Client will confirm with any third parties assisting with or hosting the Cloud Storage that either such third party or Client (and not Crowe) is responsible for complying with all applicable laws relating to the Cloud Storage and any information contained in the Cloud Storage, providing Crowe access to the information in the Cloud Storage, and protecting the information in the Cloud Storage from any unauthorized access, including without limitation unauthorized access to the information when in transit to or from the Cloud Storage. Client represents that it has authority to provide Crowe access to information in the Cloud Storage and that providing Crowe with such access complies with all applicable laws, regulations, and duties owed to third parties.

**DATA PROTECTION** – If Crowe holds or uses Client information that can be linked to specific individuals who are Client's customers ("Personal Data"), Crowe will treat it as confidential as described above and comply with applicable US state and federal law and professional regulations (including, for financial institution clients, the objectives of the Interagency Guidelines Establishing Information Security Standards) in disclosing or using such information to carry out the Services. The parties acknowledge and understand that while Crowe is a service provider as defined by the California Consumer Privacy Act of 2018 and processes information on behalf of Client and pursuant to this Agreement, Crowe retains its independence as required by applicable law and professional standards for purposes of providing attest services and other related professional services. Crowe will not (1) sell Personal Data to a third party, or (2) retain, use or disclose Personal Data for any purpose other than for (a) performing the Services and its obligations on this Agreement, (b) as otherwise set forth in this Agreement, (c) to detect security incidents and protect against fraud or illegal activity, (d) to enhance and develop our products and services, including through machine learning and other similar methods and (e) as necessary to comply with applicable law or professional standards. Crowe has implemented and will maintain physical, electronic and procedural safeguards reasonably designed to (i) protect the security, confidentiality and integrity of the Personal Data, (ii) prevent unauthorized access to or use of the Personal Data, and (iii) provide proper disposal of the Personal Data (collectively, the "Safeguards"). Client warrants (i) that it has the authority to provide the Personal Data to Crowe in connection with the Services, (ii) that Client has processed and provided the Personal Data to Crowe in accordance with applicable law, and (iii) will limit the Personal Data provided to Crowe to Personal Data necessary to perform the Services. To provide the Services, Client may also need to provide Crowe with access to Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event Client provides Crowe access to Restricted Personal Data, Client will consult with Crowe on appropriate measures (consistent with legal requirements and professional standards applicable to Crowe) to protect the Restricted Personal Data, such as: deleting or masking unnecessary information before making it available to Crowe, using encryption when transferring it to Crowe, or providing it to Crowe only during on-site review on Client's site. Client will provide Crowe with Restricted Personal Data only in accordance with mutually agreed protective measures. Crowe and Client will each allow opportunistic TLS encryption to provide for secure email communication, and each party will notify the other in writing if it deactivates opportunistic TLS encryption. If Client fails to allow opportunistic TLS encryption, Client agrees that each party may use unencrypted electronic media to correspond or transmit information, and Client further agrees that such use of unencrypted media will not in itself constitute a breach of any confidentiality or other obligation relating to this Agreement. Otherwise, Client and Crowe agree each may use unencrypted electronic media to correspond or transmit information and such use will not in itself constitute a breach of any

confidentiality obligations under this Agreement. Crowe will reasonably cooperate with Client in responding to or addressing any request from a consumer or data subject, a data privacy authority with jurisdiction, or the Client, as necessary to enable Client to comply with its obligations under applicable data protection laws and to the extent related to Personal Data processed by Crowe. Client will promptly reimburse Crowe for any out-of-pocket expenses and professional time (at Crowe's then-current hourly rates) incurred in connection with providing such cooperation. Client will provide prompt written notice to Crowe (with sufficient detailed instructions) of any request or other act that is required to be performed by Crowe. As appropriate, Crowe shall promptly delete or procure the deletion of the Personal Data, after the cessation of any Services involving the processing of Client's Personal Data, or otherwise aggregate or de-identify the Personal Data in such a way as to reasonably prevent reidentification. Notwithstanding the foregoing, Crowe may retain a copy of the Personal Data as permitted by applicable law or professional standards, provided that such Personal Data remain subject to the terms of this Agreement. If Crowe uses a third-party provider, Crowe will include terms substantially similar to those set forth in this Data Protection Paragraph into an agreement with the provider.

**GENERAL DATA PROTECTION REGULATION COMPLIANCE** – If and to the extent that Client provides personal data to Crowe subject to the European Union General Data Protection Regulation ("GDPR"), then in addition to the requirements of the above Data Protection section, this section will apply to such personal data ("EU Personal Data"). The parties agree that for purposes of processing the EU Personal Data, (a) Client will be the "Data Controller" as defined by the GDPR, meaning the organization that determines the purposes and means of processing the EU Personal Data; (b) Crowe will be the "Data Processor" as defined by GDPR, meaning the organization that processes the EU Personal Data on behalf of and under the instructions of the Data Controller; or (c) the parties will be classified as otherwise designated by a supervisory authority with jurisdiction. Client and Crowe each agree to comply with the GDPR requirements applicable to its respective role. Crowe has implemented and will maintain technical and organizational security safeguards reasonably designed to protect the security, confidentiality and integrity of the EU Personal Data. Client represents it has secured all required rights and authority, including consents and notices, to provide such EU Personal Data to Crowe, including without limitation authority to transfer such EU Personal Data to the U.S. or other applicable Country or otherwise make the EU Personal Data available to Crowe, for the duration of and purpose of Crowe providing the Services. The types of EU Personal Data to be processed include name, contact information, title, and other EU Personal Data that is transferred to Crowe in connection with the Services. The EU Personal Data relates to the data subject categories of individuals connected to Client, Client customers, Client vendors, and Client affiliates or subsidiaries ("Data Subjects"). Crowe will process the EU Personal Data for the following purpose: (x) to provide the Services in accordance with this Agreement, (y) to comply with other documented reasonable instructions provided by Client, and (z) to comply with applicable law. In the event of a Crowe breach incident in connection with EU Personal Data in the custody or control of Crowe, Crowe will promptly notify Client upon knowledge that a breach incident has occurred. Client has instructed Crowe not to contact any Data Subjects directly, unless required by applicable law. In the event that a supervisory authority with jurisdiction makes the determination that Crowe is a data controller, Client will reasonably cooperate with Crowe to enable Crowe to comply with its obligations under GDPR.

**DATA USAGE AND AGGREGATIONS** - Client hereby acknowledges and agrees that Crowe may, in its discretion, use any Client information or data provided to Crowe to improve Crowe services and Materials, including without limitation developing new Crowe services and software or other products. Client also agrees that Crowe may, in its discretion, aggregate Client content and data with content and data from other clients, other sources, or third parties ("Data Aggregations") for purposes including, without limitation, product and service development, commercialization, industry benchmarking, or quality improvement initiatives. Prior to, and as a precondition for, disclosing Data Aggregations to other Crowe customers or prospects, Crowe will anonymize any Client data or information in a manner sufficient to prevent such other customer or prospect from identifying Client or individuals who are Client customers. All Data Aggregations will be the sole and exclusive property of Crowe.

**LEGAL AND REGULATORY CHANGE** – Crowe may periodically communicate to Client changes in laws, rules or regulations. However, Client has not engaged Crowe, and Crowe does not undertake an



obligation, to advise Client of changes in (a) laws, rules, regulations, industry or market conditions, or (b) Client's own business practices or other circumstances (except to the extent required by professional standards). The scope of Services and the fees for Services are based on current laws and regulations. If changes in laws or regulations change Client's requirements or the scope of the Services, Crowe's fees will be modified to a mutually agreed amount to reflect the changed level of Crowe's effort.

**PUBLICATION** – Client agrees to obtain Crowe's specific permission before using any Report or Crowe work product or Crowe's firm's name in a published document, and Client agrees to submit to Crowe copies of such documents to obtain Crowe's permission before they are filed or published.

**CLIENT REFERENCE** – From time to time Crowe is requested by prospective clients to provide references for Crowe service offerings. Client agrees that Crowe may use Client's name and generally describe the nature of Crowe's engagement(s) with Client in marketing to prospects, and Crowe may also provide prospects with contact information for Client personnel familiar with Crowe's Services.

**NO PUNITIVE OR CONSEQUENTIAL DAMAGES** – Any liability of Crowe will not include any consequential, special, incidental, indirect, punitive, or exemplary damages or loss, nor any lost profits, goodwill, savings, or business opportunity, except to the extent that such liability arose due to Crowe's recklessness or willful misconduct.

**LIMIT OF LIABILITY** – Except where it is judicially determined that Crowe performed its Services with recklessness or willful misconduct, Crowe's liability will not exceed fees paid by Client to Crowe for the portion of the work giving rise to liability. A claim for a return of fees paid is the exclusive remedy for any damages. This limit of liability will apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including, without limitation, to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This limit of liability will also apply after this Agreement.

**NO TRANSFER OR ASSIGNMENT OF CLAIMS** – No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

**TIME LIMIT ON CLAIMS** – In no event will any action against Crowe, arising from or relating to this Agreement or the Services provided by Crowe relating to this engagement, be brought after the earlier of 1) three (3) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

**RESPONSE TO LEGAL PROCESS** – If Crowe is requested by subpoena, request for information, or through some other legal process to produce documents or testimony pertaining to Client or Crowe's Services, and Crowe is not named as a party in the applicable proceeding, then Client will reimburse Crowe for its professional time, plus out-of-pocket expenses, as well as reasonable attorney fees, Crowe incurs in responding to such request unless such proceeding or litigation resulted from actions taken by Crowe under this Agreement.

**CROWE AND EQUAL OPPORTUNITY** – Crowe abides by the principles of equal employment opportunity, including without limitation the requirements of 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. Crowe also abides by 29 CFR Part 471, Appendix A to Subpart A. The parties agree that the notice in this paragraph does not create any enforceable rights for any firm, organization, or individual.

**CROWE GLOBAL NETWORK** – Crowe LLP and its subsidiaries are independent members of Crowe Global, a Swiss organization. "Crowe" is the brand used by the Crowe Global network and its member

firms, but it is not a worldwide partnership. Crowe Global and each of its members are separate and independent legal entities and do not obligate each other. Crowe LLP and its subsidiaries are not responsible or liable for any acts or omissions of Crowe Global or any other Crowe Global members, and Crowe LLP and its subsidiaries specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Global or any other Crowe Global member. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe LLP or any other member. Crowe Global and its other members are not responsible or liable for any acts or omissions of Crowe LLP and its subsidiaries and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe LLP and its subsidiaries. Visit [www.crowe.com/disclosure](http://www.crowe.com/disclosure) for more information about Crowe LLP, its subsidiaries, and Crowe Global.



## Report on the Firm's System of Quality Control

To the Partners of Crowe LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended March 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA); and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Crowe LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Crowe LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP September 29, 2022

cbh.com





National Peer  
Review Committee

October 20, 2022

Mark Baer  
Crowe LLP  
225 W Wacker DR Ste 2600  
Chicago, IL 60606-1228

Dear Mark Baer:

It is my pleasure to notify you that on October 13, 2022, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Wagner", with a stylized, cursive script.

Michael Wagner  
Chair, National PRC

+1.919.402.4502

cc: Jeffrey Sabetta, Jennifer Allen

Firm Number: 900010014904

Review Number: 592839

220 Leigh Farm Road, Durham, NC 27707-8110  
T: +1.919.402.4502 F: +1.919.419.4713  
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U T A

# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director of Internal Audit  
**PRESENTER(S):** Mike Hurst, Director of Internal Audit

**TITLE:**

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**2024 Internal Audit Plan**

**AGENDA ITEM TYPE:**

Audit - Approval

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**RECOMMENDATION:**

Approve the 2024 Internal Audit Plan as presented.

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**BACKGROUND:**

Internal Audit annually submits an audit plan for approval by the Audit Committee. This plan is based on assessments of risk and input from management and the UTA Board of Trustees.

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**DISCUSSION:**

The 2024 audit plan is proposing the following projects:

- Vendor Master File Follow-up
- Support Fleet Follow-up
- Recruitment Follow-up
- Procurement Process Performance Audit
- Construction Contract Audit
- Real Estate and Transit Oriented Development Audit
- Memorandum of Understanding Discovery

- Police Department Ethics and Code of Conduct Preliminary Assessment
  - Payroll Process Audit
  - Light Rail Safety Audit
  - Commuter Rail Safety Audit
  - Outstanding Action Plan Follow-up
  - Legislative Auditor Follow-up
- 

**ALTERNATIVES:**

Specific projects or the entire plan can be rejected, and Internal Audit will revise the plan according to the feedback.

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

2024 Internal Audit Plan



**Date:** 12/11/2023  
**To:** UTA Audit Committee  
**From:** Mike Hurst, Director Internal Audit  
**Subject:** Background Information for the 2024 Internal Audit Plan

The following audit plan was drafted with input from the UTA Board of Trustees, senior management, assessment of risks and fraud risk, and by the results of past assurance activities.

### **Continued Projects**

#### **1. Vendor Master File Audit**

**Background:** A limited scope assessment of the vendor master file process was completed in May 2023. Vendor Master File is the term for a list of approved vendors that can be paid with organization funds. The 2024 project will follow-up on issues from the 2023 report and test vendor data.

#### **2. Support Fleet Follow-up**

**Background:** A support fleet engagement was completed as part of the 2022 audit plan and a second phase completed in August 2023. The primary topics of the 2022 phase were controls around vehicle custody and fleet right-sizing. The primary topics of the 2023 phase were follow-up on previous issues and the status of governance development. This project is a continuation of those efforts, and additional topics will be considered.

#### **3. Recruitment Follow-up**

**Background:** An outsourced assessment of the recruitment process was completed in June 2023. This project will evaluate progress on action plans set by management to address recommendations from the assessment report.

### **New Projects**

*Note: objectives are only preliminary and can be adjusted, expanded, or contracted at the time of the engagement.*

#### **4. Procurement Process Performance Audit**

**Background:** The UTA Purchasing department is responsible for managing the procurement process for UTA. This audit will assess the performance of Purchasing on objectives such as timeliness, stakeholder experience, and compliance with Utah procurement laws.

## **5. Construction Contract Audit**

**Background:** This audit will evaluate contracts and invoices from UTA construction contractors for cost allowability and accuracy. This audit topic was suggested by UTA's legal counsel.

## **6. Real Estate and Transit Oriented Development Audit**

**Background:** Real Estate is the UTA department responsible for purchasing land for agency use. Transit Oriented Development are types of projects where UTA partners with communities to build developments where transit, retail, and housing are in proximity. Audit topics have been requested by the UTA Board and management, and include the department's governance structure, assessment of compliance with joint-venture agreements, fund processing, records retention, communication between the Finance and Real Estate departments, financial stewardship, agreement execution, and consulting with the Local Advisory Council on land purchases.

## **7. Memorandum of Understanding Discovery**

**Background:** Memorandums of Understanding (MOU) are agreements between UTA and other entities or individuals. At the request of the Board Chair, Internal Audit will research what MOU are outstanding and who in the agency has active responsibility for executing the MOU. The deliverable will be a memorandum addressed to the Board Chair.

## **8. Police Department Ethics and Code of Conduct Preliminary Assessment**

**Background:** UTA has a police department of approximately 100 officers that serve the public along UTA's service system. This audit will assess the completeness and effectiveness of the department's ethics and code of conduct policies and training. This is a routine audit that is *not* in response to any known or suspected incidents or systemic issues. The scope will be limited to overall program effectiveness and not specific investigations of any individual conduct.

## **9. Payroll Process Audit**

**Background:** This engagement will examine the UTA payroll process for effectiveness and accuracy. The audit will include extensive recalculation testing of selected payroll line items.

## **10. Light Rail Safety Audit**

**Background:** UTA annually completes safety audits based on checklists produced by The Federal Transit Administration. In the past, an individual in Operations has completed this audit. Internal Audit assisted in 2022 and will complete the audit moving forward.

## **11. Commuter Rail Safety Audit**

**Background:** An audit of safety practices and policies affecting Commuter Rail will be conducted. Unlike the Light Rail Safety Audit, this project does not fall under Federal Transit Administration requirements.



## **12. Outstanding Action Plan Follow-up**

**Background:** Internal Audit will perform planned follow-up auditing on outstanding action plans. These will be done piecemeal and not as part of larger projects, as has been the custom the last two years. The results of follow-up work will be reported as additions to the project's preliminary assessment or audit report.

## **13. Legislative Auditor Follow-up**

**Background:** UTA is currently under audit by the Office of the Legislative Auditor General. A report is expected in the first quarter of 2024. Internal Audit will perform follow-up work of any recommendations resulting from that report.



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

---

**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director of Internal Audit  
**PRESENTER(S):** Mike Hurst, Director of Internal Audit

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**TITLE:**

**Internal Audit Update**

- Strategic Plan Alignment
  - 2023 Audit Plan Status
  - Other Internal Audit Activities
- 

**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Information for discussion

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**BACKGROUND:**

Internal Audit will report on activities completed or in progress since the last Audit Committee meeting was held on October 16, 2023. This discussion will report on the status of the 2023 audit plan projects, the status of the sales tax refund, status of Internal Audit staff safety training, Internal Audit involvement in a consulting project with the Environmental department, and a high-level update on discrimination and harassment investigations completed by Internal Audit.

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**DISCUSSION:**

Internal Audit will report on activities since the last Audit Committee meeting.

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**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

None



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

---

**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director of Internal Audit  
**PRESENTER(S):** Mike Hurse, Director of Internal Audit  
Trice Batty, Manager Non-Revenue Vehicle Performance and Maintenance

**TITLE:**

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**Vehicle Disposal Preliminary Assessment (23-02)**

**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Informational report for discussion

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**BACKGROUND:**

The 2023 audit plan included a preliminary assessment of UTA's vehicle disposal process. Vehicle disposals at UTA have not had centralized authority until recently. This newly assigned group is developing policies and procedures to govern the process. The engagement could therefore not be fully completed. The purpose of this report is to document a recommendation on receiving Board approval for transactions over \$200,000. Additional work will be completed in 2024 once management completes policy and procedure documents.

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**DISCUSSION:**

Internal Audit will report on observations and recommendations from the audit.

---

**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

None



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

---

**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director Internal Audit  
**PRESENTER(S):** Mike Hurst, Director Internal Audit  
Jaron Robertson, Acting Light Rail General Manager  
Tony Berger, Manager Light Rail Operations

**TITLE:**

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**Light Rail Operations Audit Report (22-02)**

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**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Informational report for discussion

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**BACKGROUND:**

Internal Audit completed a preliminary assessment of Light Rail Operations in August 2022 and the audit phase in October 2023. The activities of the audit phase were to follow up on recommendations from the preliminary assessment and test key controls.

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**DISCUSSION:**

Internal Audit will report on observations and recommendations from the audit.

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**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

R-22-02 Light Rail Audit Report



# **INTERNAL AUDIT**

## **Audit of Light Rail Operations**

**R-22-02**

**October 24, 2023**



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## Rating Matrix

Descriptor	Guide
<b>High</b>	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
<b>Medium</b>	Matters considered being important to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within six months.
<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. These matters should be subject to agreed remedial action and further evaluation within twelve months.

## Distribution List

Title	For Action <sup>1</sup>	For Information	Reviewed prior to release
Executive Director		*	*
Chief Operating Officer			*
Acting Light Rail General Manager		*	*
Emergency Management Program Manager		*	

<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 finding.

## Executive Summary

### Introduction

---

The Audit Committee directed Internal Audit (“IA”) to perform an audit to determine if controls over Light Rail Operations are designed adequately and operating effectively to ensure compliance with federal regulations, state laws, and internal policies and procedures as well as to support the achievement of management objectives. The Audit Plan was approved by the Audit Committee on December 12, 2022.

The preliminary assessment phase was concluded on August 23, 2022. The audit phase was concluded on September 28, 2023, and was conducted in accordance with the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors.

### Background and Functional Overview

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UTA maintains a fleet of light rail vehicles to provide transportation services across the Wasatch Front. As of October 2023, the management and direction of UTA light rail services is led by Jaron Robertson – Acting Light Rail General Manager and then divided into management groups under the following: Jay Anderson-Light Rail-MOW Training Administrator, Marco Gamonal, Managers of Light Rail Vehicle Maintenance, and Tony Berger, Manager Light Rail Operations.

### Objectives and Scope

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The primary areas of focus for the Light Rail assessment were:

- Governance
- Operator training and oversight
- Americans with Disability Act (“ADA”) compliance
- Public Safety

IA verified the status of action plans from the preliminary assessment and testing key controls.

### Summary

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Although we note opportunities and recommendations for improvement emphasized in this report, we observed numerous strengths, best practices, and accomplishments within Light Rail operations. Particularly praiseworthy is management’s approach to training operators, its commitment to providing equitable service to all customers, and the focus on continuous improvement.

Key control testing summary:

- Testing was planned for hours-of-service requirements but was cancelled because State Safety Oversight had a scheduled audit for October 2023 that would test the requirements.
- A sample of experienced operators were selected to verify recertification training was completed. No issues were noted.
- Field supervisors complete field tests at a rate that exceed the minimum requirements.
- Security management confirmed that cameras in Light Rail vehicles are functioning and online.
- Customer complaint data shows a low incidence of ADA complaints relative to ridership. To date in 2023, 0.0012 rides result in an ADA complaint.

- A sample of newly hired operators was selected for verification that pre-employment checks, such as health inspections, drug tests, and background checks, were performed. No issues were noted.
- Management has been proactive in completing emergency drills.
- A current emergency response plan exists for the Jordan River Rail Service facility but not for the Midvale facility. Management was given an informal recommendation to update the plan, but a full issue in this report was not considered necessary.

Management has made progress addressing each action plan from the preliminary assessment. Three of the four issues are pending remediation. Emergency response plan training has been developed, though completion rates need to improve. An employee has been assigned to handle emergency response activities for Light Rail and the issue has been closed. Work is being done to update the catalogue of standard operating procedures (“SOP”). Testing to close finding R-21-04 could not be completed - biannual efficiency check completion is measured on an annual basis. Year 2023 is incomplete and year 2022 was found out of compliance in 2022. IA will complete follow up work in 2024 to verify the completion of these action plans.

IA appreciates the assistance offered by Light Rail management and staff in completing this audit.

## Attachment A: Status of Recommendations from the Preliminary Assessment

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### Preliminary Assessment Finding R-22-01 ERP Training

Risk Level: Medium

#### Preliminary Assessment Status

##### **Details:**

The Emergency Response Plan (“ERP”) training module instructs Light Rail employees on the ERP in place, how to respond when the ERP is activated, and UTA’s objective to plan, prepare, mitigate, prevent, respond, and recover from any and all hazards or emergencies. Light Rail Management discovered that the ERP training module is in an unsupported format and does not work with UTA’s current Learning Management System (LMS). Management was unable to find any record of completed training dates for Light Rail staff since May 2021.

##### **Criteria:**

Emergency training requirements are set by the Safety and Security department. The Jordan River Rail Service Center Campus Emergency Response Policy Statement included in the ERP indicates:

*“UTA personnel are urged to become familiar with the provisions of the Emergency Response Plan. Training on the terms and requirements of the Plan is provided to all new employees at the time of hire, and annually to all personnel working on the Rail Service Center Campus.”*

##### **Underlying Cause:**

The ERP training module utilized by Light Rail management has not been reviewed or updated by training administrators since 2017. Since then, UTA has changed training platforms. Additionally, no evidence is available to indicate that ERP training has been completed by staff since May 2021.

##### **Potential Risks:**

- Incorrect or indecisive actions in an emergency can lead to individual harm and potentially loss of life.
- In the absence of known and practiced emergency response plans, employees must rely on their own judgement to respond to emergencies.
- Unaccomplished ERP standards can subject UTA to state and federal corrective action plans, fines, or withdrawal of funding.

##### **Recommendations:**

1. Light Rail Training staff should review and update Light Rail’s ERP training module to be compatible with UTA’s Learning Management System.
2. Require Light Rail’s ERP training to be included in all Light Rail employees’ annual refresher training schedules.
3. Management should ensure that all employees are provided the ERP and required to review it if formal training cannot be completed.

##### **Management Response and Action Plan:**

We agree with this finding. The Light Rail/Maintenance of Way Training Department is currently in the process of updating the 2017 module to coincide with the most current Jordan River Rail Service Center ERP bearing an approval signature and date of Sept 2, 2020. Upon completion the new training module will be compatible with the current LMS and will be subsequently assigned to the appropriate personnel with a suspense date for completion of training.

**Target Completion Date:**

Training module update completion: September 30, 2022.

Employees compliant with new training module: December 31, 2022.

**Current Status:** Pending Remediation

Management created an emergency response plan training and rolled it out for employees to complete. At the time of the audit, 76 of approximately 325 employees had not completed the training. IA will perform follow up work in 2024 and re-test the training completion rate.

**Preliminary Assessment Finding R-22-02 Emergency Response Team Leader****Risk Level: Low****Preliminary Assessment Status****Details:**

During the audit, IA found that Light Rail has not completed or planned required emergency drills for 2022. Light Rail was not out of compliance as the year was incomplete, however, in these discussions we found that responsibility for emergency management at Light Rail is underdeveloped and under resourced. Responsibility for emergency response at Light Rail has been given to several individuals over the past year and most recently to an employee in a non-leadership position. While Light Rail is not out of compliance with requirements, benefit could be achieved by assigning responsibility for emergency response activities for Light Rail to an individual in a leadership position and empowered to complete the objectives of the Emergency Response Plan.

**Criteria:**

UTA Corporate Policy No. 4.2.1, Emergency and Disaster Preparedness, section IV.A and IV.A.5 states,

*"To meet its objectives with respect to disaster and emergency UTA will...Identify an Emergency Response Team leader(s) for each business unit and create and train a cadre of members from each business unit to work cooperatively within the UTA structure."*

Emergency drill requirements are set by the Safety and Security department. The ERP template, Appendix C states:

*"Drills are to be conducted at a minimum on a biannual basis."*

**Underlying Cause:**

Recent changes to management and numerous vital projects have superseded management's focus. Additionally, ERP direction and criteria to have drills planned is unclear and some expectations are informal.

**Potential Risks:**

A strong and empowered Emergency Response Team leader is vital to the success of the Emergency Response Plan. The following risks are increased with inadequate emergency planning:

- The absence of understood and practiced drills relies on employees' individualized judgements to respond to emergencies.
- Incorrect or indecisive actions in an emergency can lead to individual harm and potentially loss of life.
- Underdeveloped governance of Light Rail's ERP could subject UTA to state and federal Corrective Action Plans, fines, or withdrawal of funding.

**Recommendations:**

1. Assign ERP responsibility to someone with clear authority and available time resources to plan and coordinate biannual emergency drills.
2. Light Rail management should seek the Emergency Management Program Manager's (EMPM) and Safety Committee members' input on recommendations, feedback, and education on what type of emergency events should be used for response simulations.
3. Light Rail management should coordinate efforts with the EMPM and Safety Committee members to plan periodic ERP instruction to employees.

**Management Response and Action Plan:**

We agree with this finding. We will assign a leader and create an Emergency Response Committee. This team will work closely with the EMPM to meet all the necessary requirements, including 2 biannual emergency drills.

**Target Completion Date:**

September 30, 2022.

**Current Status:** Closed

An employee has been assigned Emergency Response Team Leader responsibilities. The employee has exercised diligence and attention but is not an expert in emergency management. Management lacks the resources to hire someone with that expertise. Ultimately, given that restraint, subject matter expertise will have to be provided by UTA's Emergency Management Program Manager. Informally, the auditor recommended that the employee complete emergency management training offered by the United States Department of Transportation, to improve the employee's skills. The issue will be closed.

Preliminary Assessment Finding R-22-03 Standard Operating Procedure Updates

Risk Level: Low

**Preliminary Assessment Status****Details:**

There are a significant number of references to Standard Operating Procedures ("SOP") in the TRAX 2022 Rule Book with no supporting SOP available in the department library. Additionally, there is an absence of SOPs to formally support safety guidelines provided to Light Rail employees. Light Rail management is aware of these unavailable SOPs and there is a current process of review, amendment, reformatting, and eventual re-issuing.

**Criteria:**

UTA Corporate Policy No. 1.1.2, "Creation, Revision, Retention, and Distribution of Policies and Procedures" Section III.D states,

*"All Corporate Policies, Business Unit Policies, and SOPs will be:*

- a. Consistent with federal and state laws and regulations;*
- b. Consistent with UTA Board Ordinances, Policies and Resolutions; and*
- c. Consistent with other Corporate Policies."*

**Underlying Cause:**

Light Rail Management started the process of reviewing, amending, reformatting, and re-issuing all SOPs in February of 2022. The process is still ongoing.

**Potential Risks:**

- Operators and Supervisors may be unaware of procedures and best practices for a variety of Rules pertaining to Normal and Unusual operations.
- Operators and Supervisors may be faced with limited guidance that is unsupported by documented best practices and standards.
- UTA may fail to provide safe and efficient services according to legal requirements.

**Recommendations:**

1. Light Rail management should finalize the review and re-issuing of all SOPs.
2. Light Rail management should remove references of SOPs from the TRAX Rule Book if they are to be unavailable, outdated, or irrelevant.
3. Light Rail management should consider creating SOPs to formally support safety guidelines (as provided during training) for requesting supervisor or police officer field response.

**Management Response and Action Plan:**

We agree with this finding. We will continue our efforts to review and re-issue all SOP's. we will ensure that all SOP's referenced in the TRAX Rule Book are available and up to date during our annual Rule Book review process.

**Target Completion Date:**

December 31, 2023

**Current Status:** Pending Remediation

Management has a stated goal of reviewing 1/3 of their SOPs every three years. A sample of 35 SOPs with indications of recent edits were tested. 15/35 had update dates within the last year. 16/35 did not, while four were not available, with the stated reason that they were in a review queue.

These testing results show that management is actively updating SOPs, but further audit test work will be needed to show a trend. This issue will be marked as pending remediation and further testing will be completed in 2024.

**Preliminary Assessment Finding R-21-04 Rules Observation Compliance Reports Risk Level: Medium**

**Preliminary Assessment Status****Details:**

Standards exist for Rules Observation Compliance for operators and supervisors. Weekly observation tests ("WOT"), bi-annual operator efficiency checks ("ride along"), and periodic controller and system evaluations ("CSE") allow for supervisors and management to effectively gauge and track skill proficiencies while encouraging ongoing mentoring and coaching at the operator and supervisory levels of Light Rail. All rule observation compliance checks are tracked via spreadsheet. Documented ride alongs are lagging in comparison to other observation compliance checks. Provided documentation shows that out of the 234 required ride alongs (2 for each of the current 117 Operators) for 2022, 21 have been completed and documented. Consequentially, over 200 of the remaining ride alongs must be done and documented in 2022 to fulfill UTA's 2022 Transit Agency Safety Plan.

**Criteria:**

UTA Transit Agency Safety Plan section 3.7.1.2.1 states:

*“Operations training supervisors conduct biannual efficiency checks of all train operators to determine an employee’s ability to comply with rules, regulations, and procedures.”*

**Underlying Cause:**

While other Light Rail Operations Supervisors are asked to occasionally help with these ride alongs, most of them are completed by a single supervisor, who along with these ride alongs acts as the supervisor for all probationary Light Rail Operators. This structure highlights the inadequacy of time resources available for a single supervisor to accomplish ride along objectives. Additionally, management’s Laserfiche tracking system is not fully integrated and formally used for planning and requesting ride along processes.

**Potential Risks:**

- Opportunities for high-quality in-person instruction and coaching for Light Rail Operators are lost if bi-annual efficiency checks are undone.
- By not fulfilling requirements of UTA’s 2022 Transit Agency Safety Plan UTA could be subject to state and federal Corrective Action Plans, fines, or withdrawal of funding.

**Recommendations:**

1. Management should formalize the planning, requesting, and tracking of ride alongs through available programs like Laserfiche.
2. Management should review the resources available to expand responsibilities of conducting ride along to other supervisors.

**Management Response and Action Plan:**

We agree with this finding. We will formalize our ride-along process and begin sharing this workload with all Operations Supervisors.

**Target Completion Date:**

October 31, 2022.

**Current Status:** Pending Remediation

The sufficiency of management addressing this action plan was to be determined by testing the completion rate of ride alongs, also known as biannual efficiency checks.

Testing could not be completed because a full calendar year for compliance had not passed. This issue will remain open and follow up testing will be conducted in 2024.





# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Mike Hurst, Director of Internal Audit  
**PRESENTER(S):** Mike Hurst, Director of Internal Audit  
Alisha Garrett, Chief Enterprise Strategy Officer

**TITLE:**

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**Policy Process Consulting Report (23-07)**

**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Informational report for discussion

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**BACKGROUND:**

UTA has an internal process to draft and adopt policies and agency standard operating procedures. The UTA Board of Trustees requested an audit of this process. This project was performed as a consulting project and was completed in November 2023.

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**DISCUSSION:**

Internal Audit will report on observations and recommendations from the consulting project.

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**ALTERNATIVES:**

Not applicable

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**FISCAL IMPACT:**

Not applicable

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**ATTACHMENTS:**

23-07 Policy Process Report 11.30 Revision



# **INTERNAL AUDIT**

## **Policy Process Consulting Report**

**R-23-07**

**Original: November 8, 2023**

**Revised: November 30, 2023**

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## Rating Matrix

Descriptor	Guide
<b>High</b>	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
<b>Medium</b>	Matters considered being important to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within six months.
<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. These matters should be subject to agreed remedial action and further evaluation within twelve months.

## Distribution List

Title	For Action <sup>1</sup>	For Information	Reviewed prior to release
Board of Trustees	*	*	*
Executive Director		*	
Chief Enterprise Strategy Officer	*	*	*

<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 finding.

## Executive Summary

### Introduction

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The Utah Transit Authority (“UTA”) Board of Trustees (“Board”) directed Internal Audit (“IA”) to perform a review of UTA’s Policy renewal and review process to determine if controls and processes are designed adequately and operating effectively. The project was included on the annual audit plan was approved by the Audit Committee on December 12, 2022.

The project was conceived as an audit but was completed as an internal consulting project. It was not conducted in accordance with the International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors.

### Background and Functional Overview

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The Enterprise Strategy Office (“ESO”) facilitates the agency process for adopting policies and standard operating procedures (“SOP”). The process begins when a subject matter expert (“SME”) over an assigned area of responsibility submits a proposed policy or SOP (these together will broadly be called “items” in the report). Items are reviewed by committees made up of leaders across the agency. This helps interested parties provide feedback and ensure consistency across different items. SOP are adopted by the Executive Director while policies undergo a review by the Board Office and are adopted by Board vote in public Board meetings.

### Objectives and Scope

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The primary area of focus for the engagement was to perform research as necessary to answer the following objectives:

- Find any existing gaps in the policy process
- Evaluate how any identified gaps may be improved

IA reviewed internal policies and procedures, legal and regulatory requirements, interviewed Enterprise Strategy personnel, and evaluated control documents to perform this project.

### Summary

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The UTA policy process has inefficiencies that prevent achievement of the Board’s mandated three-year readoption requirement. These inefficiencies are related to governance, resourcing, the availability and motivation of SME, and over-control of agency SOP and policies only undergoing minor revisions. Recommendations to treat these inefficiencies are given for the Board’s and management’s consideration.

These recommendations should not be taken to mean the process is without merit, or that specific individuals bear any fault. The ESO has diligently performed their duties with the resources and governance available. IA would like to thank them for their assistance in completing this project.

## Attachment A: Details of Recommendations

### UTA Policy

Risk Level: Medium

#### Criteria

The Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) publishes an integrated framework to guide organizations on best practices for internal controls. Component Three: Control Activities, Principle 12 of this framework, states:

*The organization deploys control activities through policies that establish what is expected and procures that put policies in action.*

COSO guidance further elaborates:

*Management should periodically reassess policies and procedures and related control activities for continued relevance and effectiveness, unrelated to being responsive to significant changes in the entity’s risks or objectives.*

UTA Board of Trustees Policy No. 1.1 states,

*All policies and procedures including Board policies, UTA Policies, and Standard Operating Procedures will be reviewed for revision or confirmation as required by statute or at least every three years.*

This policy was only adopted recently, in October 2023. However, the expectation is aligned with the best practice of reviewing policies every three years<sup>1</sup> and will be applied as the benchmark for the timeliness of compliance with the COSO guidance to “periodically reassess policies and procedures”.

#### Condition

As of October 19, 2023, UTA had 34 UTA policies, 95 corporate policies (being phased out for UTA policies), and 25 agency SOP. Management would need to review and adopt approximately 43 policies and nine SOP annually to meet the required rate of re-adoption. The actual rates of adoption over the past three years are 31 UTA policies and 14 agency SOP<sup>2</sup>. This is a compliance rate of 24% for policies and 56% for SOP.

#### Cause

The adoption process has constraints that limit the potential churn, and features that decrease efficiency. An SME submits a proposed policy or revision to the ESO and then presents the contents at formal meetings in the adoption process called Policy Review and Policy Committee. Policy Review is comprised of the Executive Team, meets monthly, and reviews one to three policies per meeting. The Policy Committee meets twice per month and reviews one to three items (policies or SOPs) each meeting.

<sup>1</sup> For example, see guidance published by business consulting firm Elliott Davis. Ratica, Janice, “Is it time to review your Policies and Procedures Manual?”, [elliottdavis.com](https://www.elliottdavis.com/is-it-time-to-review-your-policies-and-procedures-manual/), 4/18/2022, <https://www.elliottdavis.com/is-it-time-to-review-your-policies-and-procedures-manual/>, retrieved by Mike Hurst, Director of Internal Audit, on 10/18/2023.

<sup>2</sup> See underlying data in Appendices A-C. The rate was determined based off the field Adoption Date. There may be some inconsistency based on how recordkeeping practices and fields used.

There are 10 representatives assigned from various departments and levels of management who attend this meeting.

As outlined above, these meetings are relatively infrequent, limited in agenda items, and have high attendance – many voices weighing in on matters in a short meeting. At maximum efficiency, the process can churn 36 policies per year, below the needed 43 per year, a figure that does not include the possibility and likelihood of new policies. The policy process is not reaching maximum efficiency, as the average from October 2020 to October 2023 is 15 policies adopted per year. The process faces a two-sided problem of both capacity and efficiency lacking.

Management can only increase capacity by adding meetings or improving meeting productivity. Increasing meeting frequency would be difficult given the schedules of the leaders involved. ESO could create parallel committees to have more meetings. This solution would require commitment from even more leaders and could face difficulties if members are not on desired assignments. The strength of the current format is diversity and cohesion of thought, but parallel committees would weaken that strength. It is likely infeasible to increase meeting frequency, so we need to explore opportunities to improve efficiency.

Several factors contribute to process inefficiency, including the role of SMEs, the lack of strong governance and resourcing within the process, low meeting quality, Agency SOP review requirements, and the level of review required for even minor administrative revisions.

SME availability and motivation can differ greatly from one individual to the next. When an SME's focus drifts, it delays the progress of an item in the process. The SME's delay also bears an opportunity cost as it prevents other items from making meeting agendas because space was reserved for that delayed policy. That cost can be removed if another policy is ready, but that may not always be the case. SME delays can therefore have a cascading delaying effect.

SME focus can drift for various reasons, but the lack of prioritization and availability are two causes that can be best influenced by control design. The priority of a policy has little weight outside an SME's own desires. Policy by its nature is an artificial construct. The underlying tasks still go on even if policy is absent. Commuter Rail, for example, would not stop refueling trains because an SOP on train refueling was not drafted or was out of date. Absent natural urgency, prioritization is controlled by governance. The UTA Board set the governance of priority through Board Policy No. 1.1, cited previously in this report. Management, as delegated authority, will need to play a stronger role in communicating and enforcing this policy.

The second potential cause of SME focus drift is availability. SMEs may need to put policy drafting on hold to meet day-to-day responsibilities. As management seeks solutions to improve process efficiency, they should consider ways to lower the administrative burden on SMEs.

A facilitator leads policy meetings, but the role in meetings is of recordkeeper not as a decision maker on discussion content or timing. In this environment, there is no strong driving force with authority to keep discussions productive or to create and enforce deadlines with SME and process decisionmakers. Meetings are an hour long, and that time goes quickly for such a large body to discuss all concerns. Meeting can become further unproductive if "pet topics" or "sticking points" of attendees become prominently featured at the expense of more pertinent discussion points. A balance between healthy

discussion and poor use of time exists, but the infrequency and short duration of meetings do not leave room for productive discussions. A firm hand should run meetings, with SME planning tight talking points and allowing minimal and controlled input from attendees.

Low clarity on whose queue an item is in can slow down progress on policy drafting after meetings. A single full-time employee handles the role, which may be insufficient given the number of items and associated administrative tasks. ESO is working on a system to improve visibility and tracking, which should help.

Management will need to increase the level of process governance to fully address these causes of inefficiency. The case for the current level of process governance is based on deference to the role of the SME and promoting collaboration across departments. These points have merit, but the organization is not achieving the needed churn because of disadvantages inherent to those principles. Compliance with Board Policy will require paring back on the application of those principles in favor of the productivity brought by strong governance.

One solution that meets both the needs of resourcing and governance would be adding an employee with expertise in policy. An experienced policy expert can give meaningful technical assistance to SMEs, relieving some of the burden of so-called “wordsmithing”. An expert could set the strategy of UTA policy on matters such as timing of adoption, topical coverage, gaps in existing policy, and contradiction between items.

Currently, the entire Executive Team must approve Agency SOP. Agency SOP affect at least two department but not necessarily all departments. Given the restraints on the time of UTA’s most senior leaders, it may be unwise to require Agency SOP affecting limited departments to go before the entire Executive Team.

Some policies do not have substantive changes, only administrative changes. This may be updating referenced documents within the item, minor error corrections, changing out gendered terms, etc. Despite the relative minor nature of these changes, the same adoption process applies. Exempting administrative changes from the full adoption process would gain efficiency.

Another possibility for process exemption is clearly defining what requires full adoption. The meaning of the Board policy requirement that policies “be reviewed for revision or confirmation” is unclear in practice. Does it mean that re-adoption (i.e., approval by the Board in a public meeting) is required for every policy every three years? Alternatively, it may mean that SME review policies triennially and only introduce it the adoption process if significant changes are needed. The latter interpretation, if codified, would greatly improve the efficiency by lowering the required churn. Many policies do not need revisions every three years. From a control perspective, the important thing is that it is *reviewed by SME* for needed changes, not that it is re-adopted for the sake of re-adoption. ESO would then track that formal reviews occurred triennially and note whether revisions were needed or not.

Policies go through a final review by the Board Office, at the timing of the assigned individual. The results of the review can cause an item to be pushed back into lower stages of the process. This review is separate from the bounds of the process controlled by ESO. This piece needs to be brought into ESO governance and timelines.



Management will need to correct these causes to achieve the requirement of a three-year re-adoption churn. Addressing these causes will require changes in governance, addition of resources, and changes to priorities and philosophies. The Board, as UTA's governing body, should play an active role in facilitating solutions to enable management to meet expectations.

### Effect

Regularly updated and accurate policies and procedures are essential to the sound governance and functioning of UTA. These policies control all activities ranging from regulatory compliance to operational effectiveness and safety. UTA assumes risk by not efficiently and regularly adopting and reassessing policy.

### Recommendation

Internal Audit wrote the following recommendations as possible solutions to address the causes explained above. The Board and Management will need to work together to decide on actual solutions to achieve desired results.

1. The ESO should strengthen the governance of the policy process by fully assuming invested authority to control the timing and due dates of items in the process.

Alternatively, the Board could assume direct governance over the process by assigning responsibility for the policy process within the Board Office.

2. The Board should fund a full-time position for an experienced expert in technical and strategic policy matters.
3. ESO should create and enforce a schedule tracking when policies need to be evaluated for re-adoption. ESO should take the initiative to start this process with SMEs. Items priority should be reviewed with the most urgent items past three years since adoption prioritized first.
4. Management should continue efforts to implement a tracking and monitoring system that clearly define task ownership and queues.
5. Management should remove Agency SOP from the full adoption process in favor of a streamlined process involving only the relevant SME and affected Executives.
6. The Board should exempt policies with only administrative revisions from the Policy Committee and Policy Review process. Approval in a Board meeting would need to still apply.
7. The Board should exempt policies that do not need updates from the Policy Committee and Policy Review process. ESO would be expected to document that any policies not entering the process were reviewed by SME and judged to have no changes needed.
8. The Board Office review should be a formal part of the ESO process, subject to the same deadlines as the other steps in the process.

## Appendix A: Adoption Status for UTA Policies as of 10/19/2023

Policy Name	Adoption Date
UTA.01.01 Ethics UTA Policy	06/23/2021
UTA.01.02 Americans with Disabilities Act (ADA) Compliance UTA Policy	05/26/2022
UTA.01.03 Information Technology UTA Policy	06/24/2021
UTA.01.04 Disadvantaged Business Enterprise UTA Policy	06/15/2021
UTA.01.05 Drug and Alcohol UTA Policy	10/22/2021
UTA.01.06 Title VI Compliance UTA Policy	05/26/2022
UTA.01.07 Equal Employment Opportunity UTA Policy	11/16/2022
UTA.01.08 Records Management and Access UTA Policy	10/26/2022
UTA.01.09 Sustainability UTA Policy	10/12/2023
2.1.1 - Vehicle Donations UTA Policy	02/27/2020
2.1.2 - Financial Management - Personal Use of Public Property UTA Policy	02/27/2020
UTA.02.01 Spending Authority UTA Policy	04/13/2023
UTA.02.02 Contracting Authority Policy	02/23/2022
UTA.02.03 FARES UTA Policy	10/27/2020
UTA.02.04 National Transit Database (NTD) Responsibility Policy	09/02/2021
UTA.02.05 Procurement Policy	02/23/2022
UTA.02.06 Accounts Receivable Adjustments UTA Policy	02/23/2022
UTA.02.07 Travel Policy	02/09/2022
UTA.02.08 Mileage Reimbursement UTA Policy	06/29/2022
UTA.02.09 Fuel Price Risk Management Program UTA Policy	10/12/2022
UTA.02.10 Authority to Settle Claims UTA Policy	10/12/2023
UTA.03.01 Employee and Public Safety UTA Policy	06/15/2021
UTA.03.02 Audio Video Security UTA Policy	09/22/2021
UTA.03.05 Emergency and Disaster Preparedness UTA Policy	02/23/2023
UTA.04.01 Interactions with At Risk and Minor Passengers UTA Policy	06/24/2021
UTA.05.01 Use of Electronic Devices While Driving UTA Policy	09/26/2020
UTA.05.02 Paid Time Off - Administrative Employees UTA Policy	12/15/2021
UTA.05.03 Transit Passes UTA Policy	09/22/2021
UTA.05.04 Administrative Employee Compensation Plan UTA Policy	01/25/2023
UTA.05.05 Hardship Recognition UTA Policy	12/21/2022
UTA.05.06 Training and Development UTA Policy	12/07/2022
UTA.06.01 Transit Asset Management & State of Good Repair UTA Policy	02/24/2021
UTA.06.02 Lost and Found Personal Property UTA Policy	06/24/2021
UTA.06.03 Capital Asset UTA Policy	04/12/2023

*Three policies have an adoption date greater than three years, as indicated by red shading of the date.*

## Appendix B: Adoption Status for Corporate Policies as of 10/19/2023

Category and Corporate Policy Name	Adoption Date
1.1.1 Commercial Solicitation and Charitable Solicitations for External Parties	03/15/2005
1.1.16 Recording - Documenting Training	11/01/2011
1.1.17 Tobacco Free Workplace	12/10/2012
1.1.18 Customers Who May Ride Free of Charge	08/07/2018
1.1.19 Corporate Service Standards	06/17/2011
1.1.2 Creation, Revision, Retention, and Distribution of Policies and Procedures	03/27/2012
1.1.21 Privacy	02/13/2015
1.1.22 Concessionaire Vending Policy	08/14/2009
1.1.23 Information Security Policy	01/10/2018
1.1.24 Acceptable Use of Technology Resources	10/27/2016
1.1.25 Electronic Recording of Communications	08/14/2009
1.1.27 References for Former or Current Employees	08/14/2008
1.1.28-1 Compliance with Title VI Requirements	09/18/2017
1.1.29 UTA Website	08/30/2013
1.1.31 Active Transportation Policy	04/01/2014
1.1.32 EFC Operations Management	04/20/2017
1.1.4 Advertising	06/24/2004
1.1.5 Media Relations	04/27/2007
1.1.6 Public Input Opportunities	06/24/2004
1.1.6-1 Public Involvement Process	05/07/2014
1.1.9 Non-Solicitation Bulletin Board Policy	08/15/2005
1.2.4 Health Insurance Requirements in UTA Design and Construction Contracts	11/16/2017
2.1.11 Distribution and Return of Technology Resources	03/16/2017
2.1.12 Information Technology Governance	07/28/2017
2.1.13 TVM Access and Revenue Process Policy	12/20/2017
2.1.14 Ridership and Operating Data Reporting	03/04/2019
2.1.15 Inventory Management	09/10/2018
2.1.3 Cellular Phone Use	12/05/2005
2.1.5 Quality and Performance	03/28/2006
2.1.7 Requests for Charter Service and Free Service	11/14/2018
2.1.8 Amenity Wayfinding and Signage Improvements	07/26/2016
2.1.9 Monitoring and Disposal of Expiring Consumable Shop Supplies	08/09/2016
2.2.1 Real Property	10/28/2016
3.1.10 Payroll Processing and Management	11/29/2018
3.1.10 Payroll Processing and Management Procedure	11/29/2018
3.1.12 Capital Assets	01/30/2019

Category and Corporate Policy Name	Adoption Date
3.1.13 Incidental Use of Program Income	01/30/2019
3.1.14 Taxation of Awards, Prizes, and Gifts	03/04/2019
3.1.2 Transit Development Plan- Financial Plan	01/11/2013
3.1.3 Revenue Recognition Guidelines for Annual Revenue Development Goal	05/02/2013
3.1.4 Investments	06/05/2014
3.1.5 Review of Credit Reports	03/29/2018
3.1.7 Grants Management	12/19/2018
3.1.8 Treasury Management	12/19/2018
3.1.8-1 Treasury Management	12/19/2018
3.2.01 Homeless Service Agreements	06/19/2006
4.1.02 Authorization for Transit Police	09/25/2012
4.1.06 Reporting Unsafe Conditions and Injuries	12/05/2005
4.1.1 Workplace Security	03/03/2016
4.1.3 Workplace Violence	03/21/2016
4.1.4 Security Initiatives	03/21/2016
4.1.5 Locks and Keys	06/01/2016
4.1.7-1 Cameras on buses Procedure for Triggered Events	04/24/2014
4.1.8 Use of Panic Alarms	04/24/2014
4.3.10 Exposure Control Plan (Blood-Borne Pathogens)	06/01/2016
4.3.12 Personal Protective Equipment	08/29/2017
4.3.3 Hazard Communication or Right to Know Plan	07/28/2017
4.3.6 Visitor Access	02/05/2015
4.4.01 Environmental Protections	11/14/2014
4.4.13 Vehicle Engine Idling	12/17/2008
4.5.01-1 Critical Incident Debriefing Process	07/12/2006
4.5.1 Critical Incident Debriefing	11/14/2014
4.5.2 Post Incident Investigation Procedures	06/06/2013
5.1.1 Customer Communications	01/11/2019
5.1.1-1 Customer Communication Process for Non-Paratransit Complaints	01/16/2019
5.2.01 Paratransit Service Changes	06/30/2004
5.2.2 Service Modifications	08/08/2018
6.1.02 Approval of Personnel Actions	12/15/2009
6.1.03 UTA Policy Employee Concerns	06/30/2004
6.1.1 Employee Expectations	03/09/2015
6.1.10 Vacation Sell Back Procedure	03/25/2014
6.1.11 Criminal Conviction and Arrest Reporting	11/29/2012
6.1.12 Leaves of Absence	12/19/2018
6.1.14 Social Media	08/25/2017
6.1.15 Contractor Badging and Background Checks	11/16/2010
6.1.16 Relationships Between Supervisors and Subordinates	11/16/2010
6.1.17 Outside Employment	11/16/2010

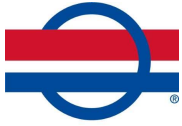
Category and Corporate Policy Name	Adoption Date
6.1.4 Employment of Relatives	05/08/2019
6.1.6 Time Off Conversion	02/28/2013
6.1.7 Employment Decisions Regarding Serious Work Infractions	11/14/2014
6.2.1-1 UTA Drug and Alcohol Policy Addendum for FrontRunner Rail Services	10/27/2010
6.3.1 Positive People Management	04/22/2009
6.4.1 Medical Examinations and Testing	11/18/2014
6.5.1 Hiring and Job Classification	06/19/2018
6.5.4 Retirement	03/25/2018
6.5.5 Relocation	04/27/2007
6.7.1.2 Administrative Employee Work Week and Schedule	11/07/2016
6.7.2.1 Administrative Job Evaluation, Job Recruitment, and Job Reassignment	09/18/2017
6.7.3.1 Performance Planning and Review	12/20/2017
6.7.3.1-1 Goal Setting, Review and Performance Incentive	12/20/2017
6.7.4.1 Reductions in Force of Administrative Employees and Severance Pay	05/04/2018
6.7.6.1 Employee Group Health, Life and Disability Benefits	06/30/2015
6.7.6.6 Educational Assistance	07/28/2017
6.7.6.6-1 Education Assistance Reimbursement Process	06/28/2017
6.7.8 Administrative Leave Sharing	05/02/2013

*95 policies have an adoption date greater than three years, as indicated by red shading of the date.*

## Appendix C: Adoption Status for Agency Standard Operating Procedures as of 10/19/2023

Category and SOP Name	Adoption Date
AGCY.01.01 Internal Investigations of Complaints Agency SOP	10/08/2020
AGCY.01.02 Requests for Electronic FARE Collection Data Agency SOP	01/06/2021
	09/09/2021
AGCY.01.03 Technology Access Control Standard Operating Procedure Agency SOP	
AGCY.01.04 VPN Access Procedure Agency SOP	09/20/2021
AGCY.01.05 Cloud Services Agency SOP	03/24/2022
AGCY.01.06 Passenger Announcements and Communication Agency SOP	04/13/2023
AGCY.01.07 Spare Ratio - Bus Agency SOP	07/23/2023
AGCY.01.05 Cloud Services Agency SOP Summary	
AGCY.01.07 Spare Ratio Bus Agency SOP Summary	
2.1.3.1 - Asset Recordkeeping and Continuing Control AGENCY SOP	03/11/2020
AGCY.02.01 Purchase Card (P-Card) Agency SOP	07/18/2023
AGCY.02.02 Management Reporting & Budgeting Software - Review User Access Control & Access Agency SOP	09/02/2020
	09/02/2020
AGCY.02.03 Management Reporting & Budget Software Maintenance Agency SOP	
AGCY.02.04 Interim Payroll SOP	11/07/2022
AGCY.02.05 Cash Management Agency SOP	12/07/2022
AGCY.02.06 Authority to Settle Claims Exceeding \$200,000 Agency SOP	10/12/2023
AGCY.03.01 Emergency Notification Agency SOP	09/02/2020
AGCY.03.02 Hearing Conservation Program Agency SOP	03/28/2023
AGCY.03.04 New Chemical Approval Process Agency SOP	10/12/2023
AGCY.05.01 Separation of Employment Agency SOP	10/18/2020
AGCY.06.01 Capital Asset Creation	
AGCY.06.02 Capital Asset Reallocation Agency SOP	
AGCY.06.03 Capital Asset Disposal Agency SOP	
AGCY.07.01 Station Addition Agency SOP	06/01/2021
AGCY.07.02 Accessibility in the Placement of New or Upgrade of Existing Fixed-Route Bus Stops Agency SOP	10/06/2021

*11 Agency SOP have an adoption date greater than three years or no adoption date, as indicated by red shading of the date.*



U T A

# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Audit Committee**

**Date:** 12/18/2023

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**TO:** Audit Committee  
**THROUGH:** Jay Fox, Executive Director  
**FROM:** Chair Carlton Christensen  
**PRESENTER(S):** Chair Carlton Christensen

**TITLE:**

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**Discussion Regarding Deployment of Security Personnel, Devices, or Systems**

**AGENDA ITEM TYPE:**

Closed Session

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**RECOMMENDATION:**

Approve moving to a closed session for discussion regarding deployment of security personnel, devices, or systems

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**BACKGROUND:**

Utah Open and Public Meetings Act allows for the Audit Committee to meet in a session closed to the public for various specific purposes.

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**DISCUSSION:**

The purpose for this closed session is:

- Discussion regarding deployment of security personnel, devices, or systems