



Utah Transit Authority

Audit Committee

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Monday, December 18, 2023

3:00 PM

FrontLines Headquarters

Present: Chair Carlton Christensen
Jeff Acerson
Mark Johnson
Remote: Beth Holbrook
Troy Walker

Also in attendance were UTA staff and interested community members.

1. Call to Order & Opening Remarks

Chair Christensen welcomed attendees and called the meeting to order at 3:02 p.m. He announced this is an in-person, recorded meeting, with live viewing available online. It was noted Trustee Beth Holbrook will be participating remotely and Committee Member Troy Walker would be delayed.

2. Safety First Minute

Luke Barber, UTA Senior Internal Auditor, delivered a brief safety message.

3. Consent

a. Approval of October 16, 2023 Audit Committee Meeting Minutes

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

4. Approvals

a. External Auditor Engagement Letters for 2023 Audits (Crowe LLP)

Eric Barrett, UTA Acting Comptroller, presented the 2023 Engagement Letters for 2023 external audits, prepared by Crowe LLP, the agency's external auditors. The audit includes compliance to the agreed upon procedure for the National Transit Database (NTD). Mr. Barrett noted this is the third year of a five-year contract with Crowe LLP whose services have been exemplary.

A motion was made by Trustee Acerson, and seconded by Committee Member Johnson, to approve the External Auditor Engagement Letters for 2023 Audits. The motion carried unanimously.

b. 2024 Internal Audit Plan

Mike Hurst, UTA Internal Audit Director, presented the 2024 Internal Audit Plan for the committee's approval which included continued projects and new projects. Mr. Hurst

reviewed each category including a breakdown of the individual projects, status, and associated timelines. He also reviewed how the 2024 Internal Audit Plan aligns with the UTA Strategic Plan.

Questions regarding auditing procurement best practices versus compliance, precedence for the construction contract audit, and safety audit requirements for Light Rail versus Commuter Rail were posed by the committee and answered by Mr. Hurst.

A motion was made by Committee Member Johnson, and seconded by Trustee Holbrook, to approve the 2024 Internal Audit Plan. The motion carried unanimously.

5. Internal Audit Update

a. Internal Audit Update

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

Mr. Hurst shared a slide detailing the 2023 Audit Plan's alignment with the Agency's strategic objectives.

A status report on the 2023 Audit Plan was provided by Mr. Hurst which included continued projects, new projects, special projects, and outsourced projects. Mr. Hurst reviewed timelines and project status, noting the majority of the 2023 projects as completed. Reports from the audits currently being finalized will be presented at the next Audit Committee meeting in March 2024.

A discussion ensued regarding the IT General Controls Audit and the need for further work in 2024. This project will continue in 2024 with a new third party auditor and additional funds.

It was noted committee member Troy Walker joined the meeting (remotely) at 3:32 p.m.

Additional reporting by Mr. Hurst included an audit team safety certification update, status of the sales tax refund project, environmental control consulting, and a summary of EEO Investigations and related governance.

6. Internal Audit Report Review

a. Vehicle Disposal Preliminary Assessment (23-02)

Mr. Barber was joined by Trice Batty, UTA NRV Performance and Maintenance Manager, and Dan Hofer, UTA Director of Capital Program & Support, to present a report on the Vehicle Disposal Audit.

Mr. Barber's report included the audit objectives, purpose, discoveries,

recommendations, and management response.

Findings included lack of governance, poor vehicle conditions and storage methods, and lack of Board approval for three vehicle sales transactions exceeding \$200,000.

Discussion ensued. Questions regarding the following topics were posed by the committee and answered by staff: number and condition of vehicles in the fleet and estimated values; status of and protocols for dealing with damaged vehicles; timing for board approval of vehicle sales; vehicles sales outlets; book value versus auction value of vehicles; lifecycle for vehicle acquisition and disposal.

Jay Fox, UTA Executive Director, acknowledged that there are Federal Transit Administration (FTA) requirements for the sale and disposal of some vehicles.

Recommendations included the Capital Assets group seeking Board approval for combined vehicle sales exceeding \$200,000 and the creation of Standard Operating Procedures (SOPs).

b. Light Rail Operations Audit Report (22-02)

Mr. Hurst was joined by Jaron Robertson, UTA Acting Light Rail General Manager, and Tony Burger, UTA Light Rail Operations Manager, to present a report on the Light Rail Operations Audit.

Mr. Hurst's report included the audit scope, key control testing, and recommendations. He noted this is the second phase to a preliminary audit conducted in 2022. Performance testing of key controls documented from the preliminary assessment were conducted.

Mr. Hurst reviewed the status of recommendations from the preliminary assessment which included the update of Light Rail emergency training, emergency management responsibility, the review and updating of SOPs, and the planning and tracking of "ride alongs."

Questions relating to the lack of an emergency response plan for the Midvale facility and planning and tracking of "ride alongs", were posed by the committee and answered by staff.

c. Policy Process Consulting Report (23-07)

Mr. Hurst was joined by Alisha Garrett, UTA Chief Enterprise Strategy Officer, to present the Policy Process Consulting Report. He explained the background and objectives of the Policy Process which relates to the agency's process for adopting policies and SOPs. Mr. Hurst noted this project is being performed as a consulting engagement and is an on-going project with management working on identifying solutions.

Mr. Hurst walked the committee through the policy process and identified strengths, challenges, and recommendations.

Discussion ensued. Questions and discussion were held relating to the definition of a subject matter expert, the current policy review and approval process, challenges within the current process, the quantity of policies and SOPs, timelines for policy review/approval, policy review exemption, and the need to define what is a policy and what is an SOP.

Management will continue to work on solutions as Mr. Hurst continues his work on this project.

7. Other Business

- 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

Chair Christensen indicated there were items to be discussed in closed session relative to deployment of security personnel, devices, or system.

A motion was made by Trustee Acerson, and seconded by Committee Member Johnson, for a closed session. The motion carried by unanimous vote and the closed session convened at 4:52 p.m.

9. 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 5:28 p.m.

10. Adjourn

A motion was made by Trustee Acerson, and seconded by Committee Member Johnson, to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 5:29 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/878871.html> for entire content.

Meeting materials along with a time-stamped video recording may also be accessed at
[https://rideuta.granicus.com/player/clip/272?
view_id=1&redirect=true&h=3fb1c1640f6e3435276ab27c9ff80d38](https://rideuta.granicus.com/player/clip/272?view_id=1&redirect=true&h=3fb1c1640f6e3435276ab27c9ff80d38)

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

Approved Date:

Carlton Christensen
Chair, UTA Audit Committee