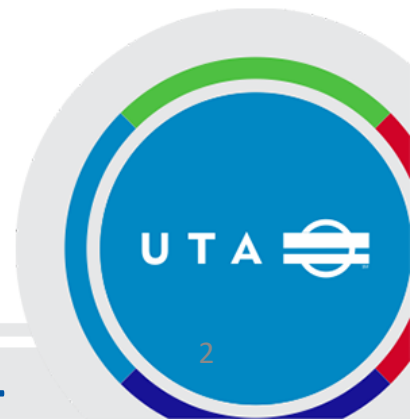


UTA Audit Committee Meeting

March 11, 2024



Call to Order and Opening Remarks



Safety First Minute



Consent

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



Recommended Action (by acclamation)

Motion to approve consent agenda

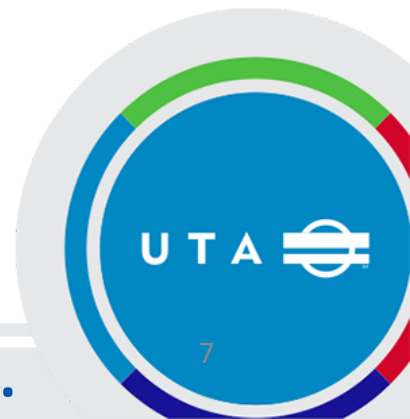


Audit Committee Actions

- a. Audit Committee Charter
- b. Internal Audit External Assessment Recommendation



Audit Committee Charter



Audit Committee Charter - Mission and Duties

External Audit

- External Auditor – provide recommendation on selection of external auditor, and review external audit engagement letter prior to commencement of an audit
- Audit Reports – receive reports and assessments and recommend acceptance to the Board
- UTA Management Plans – review corrective action plans by management

Internal Audit

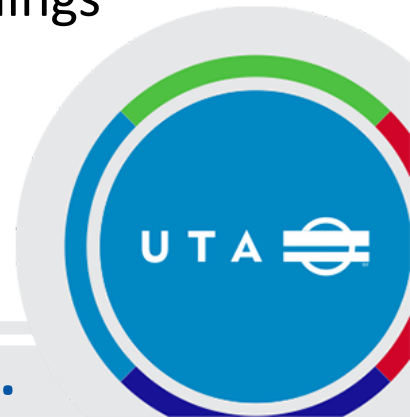
- Internal Audit Plan – approve annual plan and review audit reports
- Audit Reports – receive reports and assessments
- UTA Management Plans – review corrective action plans by management
- Internal Audit Function Evaluation – participate in evaluation
- Internal Audit Charter – review and approve annually



Audit Committee Charter

Committee Composition and Meetings

- Operate under governance of UTA Bylaws and the Committee Charter
(to be reviewed annually)
- Members: Board of Trustees + Advisory Council Chair & Vice-Chair
- Meet at least quarterly
- Provide recommendation to the Board for action:
 - Adoption of Audit Committee Charter
 - External Audit Annual Report and Management Letter
 - Suspected fraud, abuse, non-compliance or significant internal control findings
 - Any other matter requiring Board action



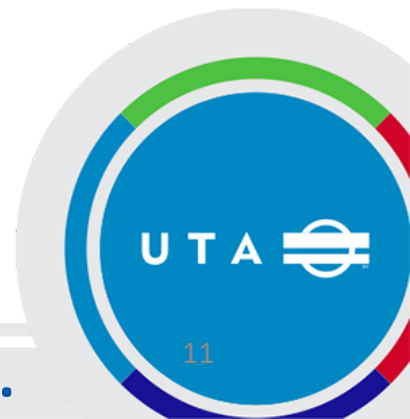
2024 Charter Updates

- Confidentiality requirement added to Member Duties
(recommendation by State Auditor's Office)
- Clarified duty to review Committee Charter annually and recommend any changes to the Board of Trustees for adoption

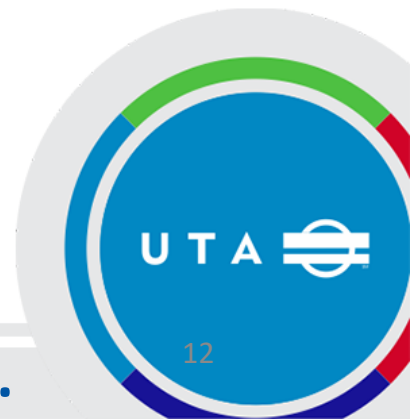


Recommended Action (by acclamation)

Motion to approve Audit Committee Charter, and recommend adoption by the Board of Trustees, as presented



Internal Audit External Assessment Recommendation



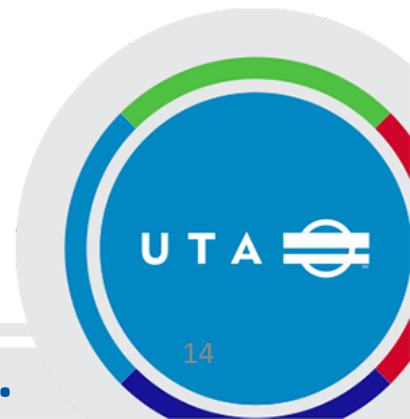
2024 External Assessment

- Audit Standards require an external assessment of standards compliance every five years.
- Internal Audit has the option to perform a self-assessment with external validation.
- This option will have no extra cash expenditure and will be the most efficient option.



Recommended Action (by acclamation)

Motion to recommend a self-assessment with independent validation for the Internal Audit External Assessment, as presented

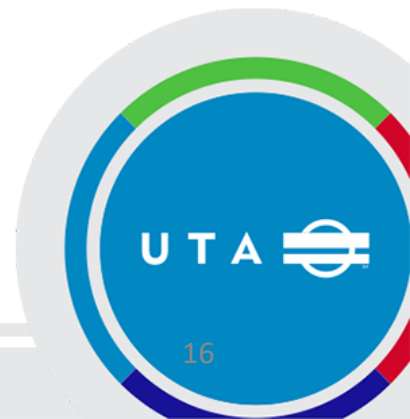


Internal Audit Update

- a. Internal Audit Update
 - 2023 Audit Plan Status
 - 2024 Audit Plan Status
 - Sales Tax Refund
- b. 2023 Quality Assurance and Improvement Program

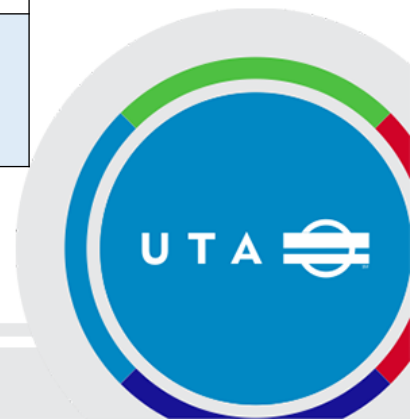


**Internal Audit Update:
2023 Audit Plan Status
2024 Audit Plan Status
Sales Tax Refund**



2023 Audit Plan Status

Engagement #	Project Name	Current Status
23-08	Capitalization Process	Complete – Report Pending
23-09	Safety Audit	Complete – Report Pending
23-12	IT Help Desk	Pending
23-03	1099 Reporting	Pending
23-04	Transit Communications Center	Complete – Report Pending
23-05	Vendor Master File Review	Pending



2024 Audit Plan – Continued Projects

Engagement #	Audit Phase Project	Current Status	Report Status
23-05	Vendor Master File Follow-up	In progress	
22-06	Support Fleet Follow-up	Not started	
23-11	Recruitment Follow-up	Not started	



2024 Audit Plan – New Projects

Engagement #	Project Name	Current Status	Report Status
24-01	Procurement Process Performance Audit	Not Started	
24-02	Construction Contract Audit	Not Started	
24-03	Real Estate and Transit Oriented Development Audit	Not Started	
24-04	Memorandum of Understanding Discovery	In Progress	
24-05	Police Department Ethics and Code of Conduct Preliminary Assessment	Complete	Reporting March 2024 A.C. Meeting
24-06	Payroll Process Audit	In Progress	
24-07	Light Rail Safety Audit	Not Started	
24-08	Commuter Rail Safety Audit	In Progress	



2024 Audit Plan – Special Projects

Engagement #	Project Name	Expected Timeline	Report Status
24-9	Outstanding Action Plan Follow-up	Ongoing	
24-10	Legislative Auditor Follow-up	Not started	

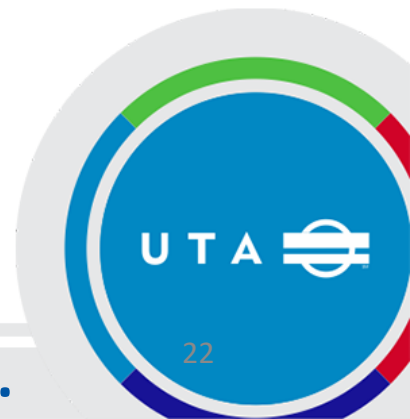


Other Internal Audit Activities

- Sales tax refund – pending Tax Commission resolution & consultant project
- 2023 Commuter Rail Safety Audit in progress



Internal Audit Update: 2023 Quality Assurance and Improvement Program



2023 Quality Assurance and Improvement Program

- IA currently does not have an internal SOP

IA Director drafted a document in 2024 to align with newly adopted IIA standards that will also serve as the department's SOP.

- Audit plans are not directly influenced by the organizational risk assessment due to timing differences

IA will move the annual plan adoption from December to March to incorporate the annual risk assessment.



2023 Quality Assurance and Improvement Program

- The Internal Audit Charter should clearly outline what constitutes a “significant change” to the audit plan.

Procedures are included in the 2024 Charter.

- IA does not have an assurance role over the ethics program.

IA will seek outside assurance services as there are opportunities to audit aspects of the ethics program.



2023 Quality Assurance and Improvement Program

- IA should follow up on IT governance assurance

IA is continuing a project from the 2023 audit plan that will address IT governance.

- IA should incorporate into SOP record retention requirements

The IA Director will work with the Records department to include this element in SOP.



2023 Quality Assurance and Improvement Program

- Audit reviews occur but are not sufficiently documented

IA Director created a form to enforce documentation recordkeeping.

- IA should define what risk ratings mean in reports

The current report format does have a risk rating matrix, but it is at the front of the report and not in the Issue section. IA will re-format the reports to align the risk rating matrix with the Issue section.

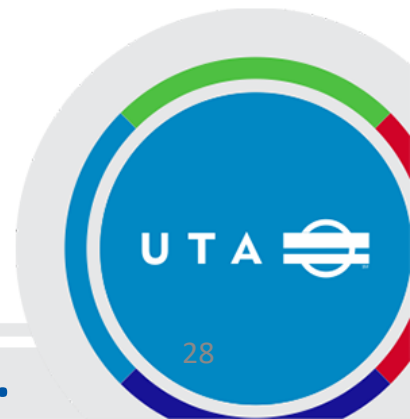


Internal Audit Reports

- a. UTA Police Department Ethics and Code of Conduct Preliminary Assessment and Final Report (R-24-05)
- b. Transit Communication Center Preliminary Assessment (R-23-04)
- c. Asset Capitalization Process Limited Scope Assessment (R-23-08)



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



Engagement Scope



Engagement Objectives:

- 1) Code of Conduct
- 2) Training Rollout
- 3) Training Completion

Period Reviewed: January 1, 2021 – August 31, 2023

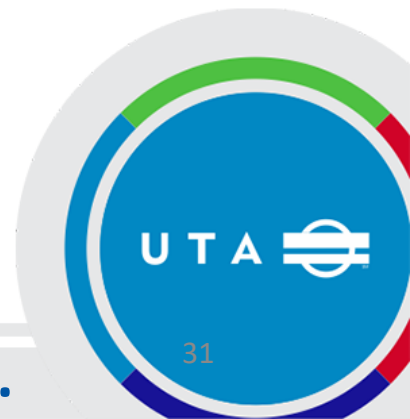


Engagement Results

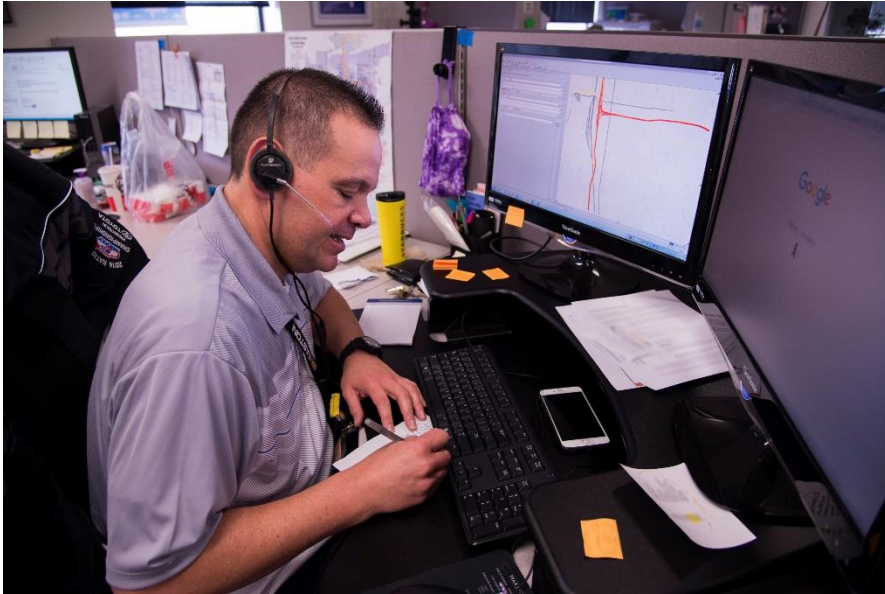
- Internal Audit reviewed UTA PD's Code of Conduct and found it to be structured around national best practices as published by the International Association of Chiefs of Police. Management has recently required Code of Conduct training to be completed of all staff every three years.
- Internal Audit reviewed UTA PD's annual training requirements – which coincide with Peace Officer Standards and Training (POST) as required of sworn peace officers in Utah.
- Internal Audit reviewed UTA PD's training documentation which is closely managed and tracked by management through physical and digital documentation. Training personnel regularly conduct reviews of the overall state of training completed to ensure POST-requirement compliance. The next round of these reviews is planned for March 2024.



Transit Communication Center Preliminary Assessment (R-23-04)



Engagement Scope



Engagement Objectives:

- 1) Staffing
- 2) Dispatcher Training
- 3) Systems and Tools

Period Reviewed: January 1, 2021 –
August 31, 2023

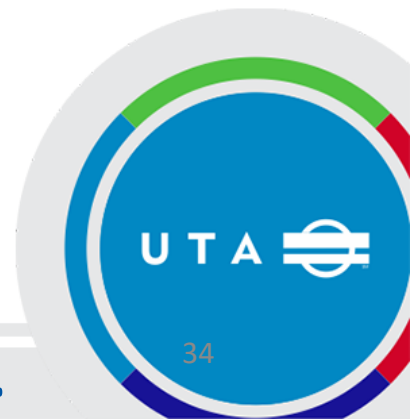


Engagement Results

- Internal Audit reviewed management's tracking of employee training throughout the year to ensure that dispatchers maintained current certifications. Training includes material aimed at identifying and alleviating work stressors for emergency management personnel.
- Internal Audit reviewed management's plans and interdepartmental coordination to update or procure necessary tools and systems including Computer Assisted Dispatch, Detour Program, Incident Log database, and the Headways Program.
- Internal Audit reviewed overtime hours and staffing compared to industry best practice and recommends TCC management evaluate current headcount levels for sufficient coverage.



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



Engagement Scope



Engagement Objectives:

- 1) Determine the existence and strength of control activities around asset identification
- 2) Determine appropriate accounting for assets purchased with grant funding

Scope Exclusion: Asset valuation is tested by the external auditors, so it was not included in the scope of this engagement.



Engagement Results

- Internal Audit reviewed a sample of purchases over \$5,000 made through Accounts Payable and Purchase Card. Management had captured or was monitoring all purchases for appropriate capitalization.
- Internal Audit reviewed federal percentage calculations. Testing was inconclusive until a final true-up journal entry is made. Follow-up work will be performed later in 2024 to verify the final accuracy of the asset's federal percentage.



Other Business

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



Adjourn

