UTA Audit Committee Meeting

June 24, 2024

Call to Order and Opening Remarks

Safety First Minute

Consent

a. Approval of March 11, 2024, Audit Committee Meeting Minutes

Recommended Action (by acclamation)

Motion to approve consent agenda

Internal Audit Update

a. Internal Audit Update

- 2023 Audit Plan Status

- 2024 Audit Plan Status

- Other Internal Audit Activities

b. Open Issues Follow Up Report

Internal Audit Update

Agenda Item 4.a.

2023 Audit Plan Status

Engagement #	Project Name	Current Status
23-09	Light Rail Safety Audit	Complete
23-12	IT Help Desk	Cancelled
23-03	1099 Reporting	Complete
23-05	Vendor Master File Review	Complete

UTA

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	In progress	
24-02	Construction Contract Audit	In progress	
24-03	Real Estate and Transit Oriented Development Audit	In progress	
24-04	Memorandum of Understanding Discovery	Cancelled	
24-05	Police Department Ethics and Code of Conduct Preliminary Assessment	Complete	Reported 3/11/24
24-06	Payroll Process Audit	In Progress	
24-07	Light Rail Safety Audit	In Progress	
24-08	Commuter Rail Safety Audit	Not started	

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

- 2023 Commuter Rail Safety Audit completed

- 2023 Light Rail Safety Audit completed

- Sales tax refund pending from Utah State Tax Commission

Open Issues Follow Up Report

Follow-up Schedule

- The following chart shows projects with upcoming follow-up work to be completed in the next year.

- Open issues are uncompleted action plans from previous audit engagement phases from prior year Audit Plans.

- Internal Audit will work with management to determine if the action plans have been implemented.

Follow-up Schedule

| Engagement	Issue#	Status	Next Touchpoint
20-07 Capital Projects	R-20-07-01	Partially complete	06/30/2025
20-07 Capital Projects	R-20-07-03	Partially complete	06/30/2025
20-07 Capital Projects	R-20-07-04	Partially complete	06/30/2025
20-07 Capital Projects	R-20-07-05	Partially complete	06/30/2025
21-02 Utility Management	R-21-02-04	Open	06/30/2024
21-02 Utility Management	R-21-02-03	Open	06/30/2024
21-04 Bus Training and Operations	R-21-01	Partially complete	08/31/2024
21-04 Bus Training and Operations	R-21-02	Partially complete	08/31/2024
21-05 Information Technology General Controls	R-21-05-02	Partially complete	10/31/2024
21-06 Fuel Costs	R-21-06-09	Partially complete	06/30/2024
21-06 Fuel Costs	R-21-06-02	Partially complete	06/30/2024
21-06 Fuel Costs	R-21-06-05	Open	06/30/2024
21-06 Fuel Costs	R-21-06-06	Open	06/30/2024
21-06 Fuel Costs	R-21-06-07	Partially complete	06/30/2024
21-06 Fuel Costs	R-21-06-08	Partially complete	06/30/2024
22-02 Light Rail Operations	R-22-01	Partially complete	09/30/2024
22-02 Light Rail Operations	R-22-02	Partially complete	09/30/2024
22-02 Light Rail Operations	R-22-03	Partially complete	09/30/2024
22-02 Light Rail Operations	R-22-04	Partially complete	09/30/2024
22-04 Fleet Engineering	R-22-04-01	Open	06/30/2024
22-04 Fleet Engineering	R-22-04-01	Open	06/30/2024
22-05 Benefits Calculation	R-22-05-01	Partially complete	09/30/2024
22-07 Cell Phone Performance	R-22-07-01	Open	03/31/2025
23-05 Vendor Master File Review	R-23-05-01	Open	06/30/2024
23-08 Capitalization Process	Informal issue	Open	11/01/2024

Internal Audit Reports

a. 1099 Reporting Preliminary Assessment (R-23-03)

b. Cell Phone Performance Audit Follow-up (R-22-07)

c. Commuter Rail Operations Follow-up (R-22-01)

1099 Reporting Preliminary Assessment (R-23-03)
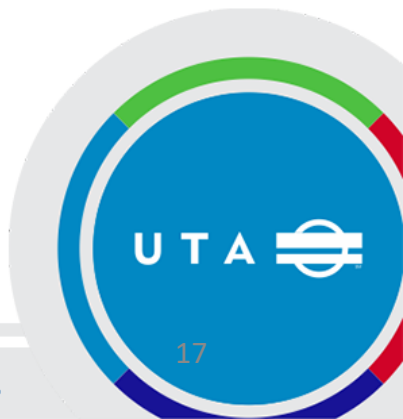
Engagement Scope

Engagement Objectives:
1) Evaluate area governance
2) Verify 2022 compliance with 1099 reporting requirements

Period Reviewed: January 1, 2022 – December 31, 2022

Engagement Results

- Audit testing found approximately 60 vendors that should have been issued a 1099 form but were not.

- Most of the missed forms were for medical claims and payments to attorneys. Management was not aware of the IRS' requirements in these areas.

- Finance proactively took the results and coordinated with Legal to disclose issues to the IRS and the Utah State Tax Commission.

- UTA is now in full compliance with the IRS and Utah State Tax Commission.

Cell Phone Performance Audit Follow-up (R-22-07)
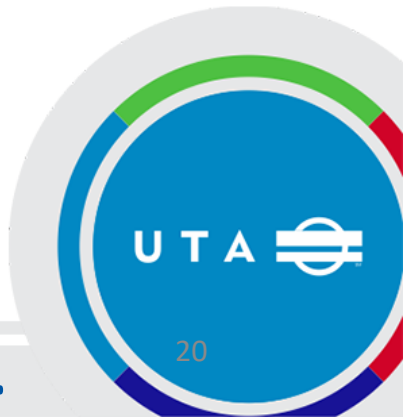
Cell Phone Performance Audit- Scope

Period of review was primarily January 1, 2022 – present. Internal Audit reviewed the current status of the action plan from the initial audit report and re-performed analysis of cell phone use statistics.

Cell Phone Follow-Up – what we found

- Management continues to be under-resourced to govern cell phones and related assets.

- Governance and efficiency would be improved by adequate resourcing within the IT department.

Cell Phone Follow-Up – why it matters

From January 2022 – February 2024, the following patterns were identified in the cell phone usage data:

- 957 lines (66% of all lines) had zero minutes.

- 842 lines (58% of total) had zero texts.

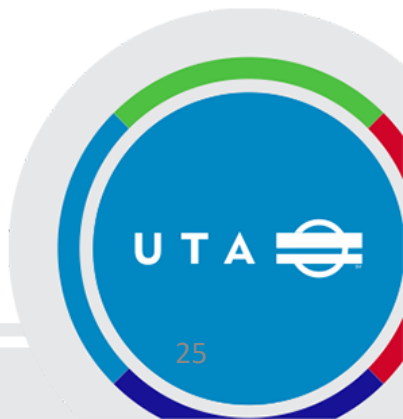- 1,655 lines had between 0 and 100 mb of data usage (54% of total).
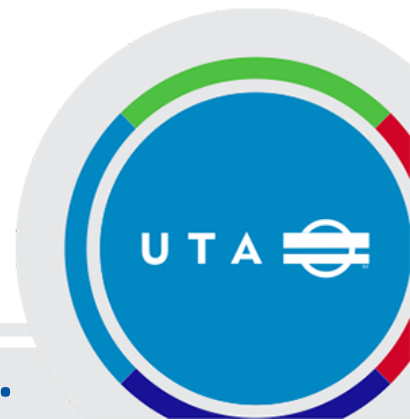
Cell Phone Follow-Up – recommendations

1. Create a full-time position with the primary responsibility to manage and track cellular services and devices, establish onboarding and offboarding procedures, and solidify governance authority.

Commuter Rail Operations Follow-up (R-22-01)

Commuter Rail Operations Follow-up - Scope

Engagement Scope
Governance
Operator training and oversight
Americans with Disabilities Act Compliance
Public Safety

The follow-up phase focused on determining the current status of management action plans from the preliminary assessment phase.

Agenda Item 5.c.

Commuter Rail Operations Follow-Up Status of Action Plans

1. IA recommends that Commuter Rail management take additional steps to resource training development that may include one or more of the following:
   - Create an instructional designer FTE.
   - Provide administrative assistance to the training team.
   - Expand training duties to other capable supervisors or managers.

   Management has devoted additional resources to the training program. The action plan is considered complete.

Commuter Rail Operations Follow-Up Status of Action Plans

2. UTA should create a Mental Health Safety program to encapsulate and centralize organizational efforts, centered around chaplain services.

3. IA recommends that Commuter Rail Operations update all relevant SOPs, policies, and checklists to include contacting UTA Chaplain services along with Blomquist Hale personnel for critical incidents.

The Chaplain program is no longer active, however, management has additional mental health resources available to employees. The risk is adequately addressed and the action plan is considered closed.

Other Business

a. Next Meeting: Thursday, July 11, 2024, at 1:00 p.m.

Adjourn