



Utah Transit Authority

Audit Committee

MEETING MINUTES - Final

669 West 200 South
Salt Lake City, UT 84101

Monday, June 24, 2024

9:00 AM

FrontLines Headquarters

Present: Jeff Acerson

Beth Holbrook

Remote: Chair Carlton Christensen

Troy Walker

Bob Stevenson

Also in attendance were UTA staff and interested community members.

1. Call to Order & Opening Remarks

UTA Trustee Jeff Acerson welcomed attendees and called the meeting to order at 9:00 a.m. He noted he is conducting the meeting on behalf of Chair Carlton Christensen who is joining the meeting remotely. Committee members Troy Walker and Bob Stevenson are also participating remotely.

Trustee Acerson announced this is an in-person, recorded meeting with live streaming available online.

2. Safety First Minute

Jana Ostler, UTA Board Manager, delivered a brief safety message.

3. Consent

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

A motion was made by Trustee Holbrook, and seconded by Chair Christensen, to approve the consent agenda. The motion carried by unanimous vote.

4. Internal Audit Update

a. Internal Audit Update

-2023 Audit Plan Status

-2024 Audit Plan Status

-Other Internal Audit Activities

Mike Hurst, UTA Director of Internal Audit, provided a status report for audit activities completed or in progress since the last audit committee meeting held on March 11, 2024. His presentation included reports on the 2023 audit plan, current and new projects; 2024 audit plan including new projects; and an overview of other internal

audit activities.

Discussion ensured. Questions relating to the IT Helpdesk project, the Memorandum of Understanding Discovery project, and the sales tax refund, were posed by the committee and answered by staff.

An inquiry regarding the follow up steps taken after project completion including remediation, management efforts, reporting, and assurance was posed by Trustee Holbrook and answered by Hurst.

b. Open Issues Follow Up Report

Mike Hurst reviewed an audit follow up summary report and schedule with the committee. The report was requested by the committee at the last audit committee meeting and will be provided at each meeting. It highlights issues pertaining to audits which are either being addressed or remain unresolved. Hurst asked the committee if there were other details they would like to see on the report.

Since the Audit Committee is responsible for internal audit oversight, Chair Christensen requested assurance that items identified during an audit are being addressed and remediated in an appropriate and timely manner. He requested the committee be made aware of any immediate concerns in addition to reasons why items are unresolved and any barriers or challenges that might be hindering progress. Chair Christensen requested those details be added to the report. Hurst affirmed he would include this detail in future reports.

5. Internal Audit Reports

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

Mike Hurst was joined by Viola Miller, UTA Chief Financial Officer, and Luke Barber, UTA Senior Auditor, to present a report on the 1099 Reporting project.

Barber presented the audit scope and engagement results for the project. The audit identified 60 vendors were not issued a required 1099 form by UTA. The majority of these forms were for medical claims and payments to attorneys. Barber reported this as a management oversight issue and lack of knowledge of the 1066 requirements. It should be noted the finance department took immediate steps to rectify the mistake and coordinated with UTA's Legal team to disclose the issues to the IRS and Utah State Tax commission. Miller indicated UTA is now in full compliance and no penalties were received.

Discussion ensured on how the finance department will avoid this oversight in the future and stay current on tax law changes. Miller stated controls and processes have been put in place and noted tax law assignments have been added to two job descriptions. The assigned staff will also receive IRS notifications relating to tax laws

and other changes that impact the agency.

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

Mike Hurst was joined by Alisha Garrett, UTA Chief Enterprise Strategy Officer, and Kyle Brimley, UTA IT Director, to present an update on the Cell Phone Performance audit.

Hurst stated the audit was completed as part of the 2022 Audit Plan and a report, including findings and action plans, was presented to the Audit Committee in June 2022. A follow up audit was completed in May 2024 to verify the status of the management action plan from the initial audit phase and review cell phone use statistics for the current period.

Hurst shared the audit findings which identify a large number of active cell phone lines had low or no use causing unnecessary service charges to UTA. He cited poor governance and efficiency driven by the under resourcing of staff within the IT department in addition to competing, higher priorities.

Garrett and Brimley detailed the many challenges faced by the department in managing the process with current resources, in addition to the steps taken since the 2022 audit. They shared information on future remedial efforts which include the creation of streamlined processes, structures, and enhanced controls. This will rely heavily on the creation of a full time position whose primary responsibility will be to track cellular services and devices for the agency.

Discussion ensued. Questions relating to cell phone service costs, operational efficiencies, centralization, and potential cost savings with the addition of a full time, dedicated staff, were posed by the committee and answered by staff.

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

Mike Hurst was joined by Zach Thomas, UTA Commuter Rail General Manager, to present an update on the Commuter Rail Operations Audit Follow up.

Hurst explained the focus of the follow up audit was directed toward the two main findings from the preliminary assessment; additional resources to support training and development, and creating a mental health safety program.

Hurst noted management have assigned additional resources to support training and development and the action is considered complete.

The second finding centered around creating a mental health safety program to support employees following a traumatic incident. It was reported the chaplain program is no longer active. Management has mental health resources available to

employees including services through Blomquist Hale. Hurst affirmed the risk has been adequately addressed and the action plan is considered closed.

Discussion ensued. Questions relating to the level of services offered by Blomquist Hale, timely referrals to more specialized providers, payment responsibility for services, and extended leave for staff, were posed by the committee and answered by staff.

Kim Shanklin, UTA Chief People Officer, spoke to the referral services provided by Blomquist Hale which include referrals for more intensive services as needed. The employee is responsible for paying for the referral services through their own health insurance. The People Office is exploring additional services through Blomquist Hale including trauma specific providers.

Dalan Taylor, UTA Chief of Police, mentioned he has been working with Ann Green-Barton, UTA's Total Rewards Director, to explore the option of bringing on board an in-house counselor. He is also looking at the possibility of re-starting the chaplain program.

6. Other Business

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

7. Adjourn

A motion was made by Committee Member Stevenson, and seconded by Trustee Holbrook, to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 10:05 a.m.

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

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

<https://www.utah.gov/pmn/sitemap/notice/922891.html> for entire content. Meeting video is accessible at: https://rideuta.granicus.com/player/clip/304?view_id=1&redirect=true

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

Approved Date: July 11, 2024

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Carlton Christensen
Chair, UTA Audit Committee