



Utah Transit Authority

Audit Committee

REGULAR MEETING AGENDA

669 West 200 South
Salt Lake City, UT 84101

Monday, December 15, 2025

3:00 PM

FrontLines Headquarters

The UTA Audit Committee will meet in person at UTA FrontLines Headquarters (FLHQ) - 669 West 200 South, Salt Lake City, Utah 84101

1. **Call to Order & Opening Remarks** Chair Carlton Christensen
2. **Safety First Minute** Ann Green-Barton
3. **Consent** Chair Carlton Christensen
 - a. Approval of September 22, 2025 Audit Committee Meeting Minutes
4. **Audit Committee Actions and Reports**
 - a. External Financial Auditor Recommendation Rob Lamph
 - b. Draft External Auditor Engagement Letters for 2025 Audits (Crowe LLP) Rob Lamph
 - c. 2025 Internal Audit Plan Amendment Approval Mike Hurst
 - d. 2025 Agency Risk Assessment Report Christie Giles
5. **Internal Audit Update**
 - a. Internal Audit Update Mike Hurst
 - 2025 Internal Audit Plan Status
 - Update on progress of outsourced audit 25-12 Bus Safety Audit
 - Update on progress of outsourced audit 25-13 Construction Audit
 - b. Open Audit Recommendations Report - December 2025 Mike Hurst
6. **Internal Audit Reports**
 - a. Environmental Governance Audit (25-01) Mike Hurst
Johanna Goss
Patti Garver

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|----|---|--|
| b. | Commuter Rail Safety Audit (25-09) | Mike Hurst
Luke Barber
Travis King |
| c. | Mount Ogden Bus Maintenance Audit Report
(25-10) | Mike Hurst
Camille Glenn |
| d. | Buy America Compliance Audit (25-07) | Mike Hurst
Kyle Stockley |

7. Other Business

Chair Carlton Christensen

- a. Next Meeting: Monday, March 9th, 2026 at 3:00 p.m.

8. Adjourn

Chair Carlton Christensen

Meeting Information:

- Special Accommodation: Information related to this meeting is available in alternate formats upon request by contacting adacompliance@rideuta.com or (801) 287-3536. Requests for accommodations should be made at least two business days in advance of the scheduled meeting.
- Meeting proceedings may be viewed remotely by following the meeting video link on the UTA Public Meeting Portal - <https://rideuta.legistar.com/Calendar.aspx> or via Zoom at https://bit.ly/UTA_AUDIT_12-15-25
- In the event of technical difficulties with the remote connection or live-stream, the meeting will proceed in person and in compliance with the Open and Public Meetings Act.
- Public Comment will not be taken at this meeting, but general comment may be given online through <https://www.rideuta.com/Board-of-Trustees>. Comments may also be sent via e-mail to boardoftrustees@rideuta.com.
- Meetings are audio and video recorded and live-streamed.
- Motions, including final actions, may be taken in relation to any topic listed on the agenda.



U T A

Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Curtis Haring, Board Manager

TITLE:

Approval of September 22, 2025 Audit Committee Meeting Minutes

AGENDA ITEM TYPE:
Minutes

RECOMMENDATION:
Approve the minutes of the September 22, 2025, Audit Committee meeting.

BACKGROUND:
A regular meeting of the UTA Audit Committee was held in person and broadcast live through the UTA meetings website on Monday, September 22, 2025, at 3:00 p.m. These minutes 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/1023225.html) <<https://www.utah.gov/pmn/sitemap/notice/1023225.html>> and video feed is available through the [UTA Public Meeting Portal](https://rideuta.legistar.com/MeetingDetail.aspx?ID=1243589&GUID=812A1C63-83F6-421A-A642-67699A8B6EDF) <<https://rideuta.legistar.com/MeetingDetail.aspx?ID=1243589&GUID=812A1C63-83F6-421A-A642-67699A8B6EDF>>.

ATTACHMENTS:
2025-09-22_AUDIT_Minutes_UNAPPROVED



Utah Transit Authority

Audit Committee

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Monday, September 22, 2025

3:00 PM

FrontLines Headquarters

Present: Chair Carlton Christensen
Jeff Acerson
Beth Holbrook
Bob Stevenson

Excused: Natalie Hall

Also attending were UTA staff and interested community members.

Note: Trustee Holbrook joined the meeting electronically at 3:32 p.m. and in person at 3:43 p.m.; Council Member Stevenson left the meeting at 4:00 p.m.

1. Call to Order & Opening Remarks

Chair Carlton Christensen welcomed attendees and called the meeting to order at 3:03 p.m.

2. Safety First Minute

Jeff Acerson, UTA Trustee, delivered a brief safety message.

3. Consent

a. Approval of June 16, 2025 Audit Committee Meeting Minutes

A motion was made by Council Member Stevenson, and seconded by Trustee Acerson, to approve the consent agenda. The motion carried by a unanimous vote.

4. Internal Audit Update

a. Internal Audit Update

- **2025 Internal Audit Plan Status**
- **Bus Safety Audit**

2025 Internal Audit Plan Status

Mike Hurst, UTA Director of Internal Audit, provided a status update on the 2025 Internal Audit Plan.

(Note: Hurst cited a typographical error in the meeting presentation: the Buy America compliance audit has an expected completion of December 2025.)

Bus Safety Audit

Mike Hurst reported the bus safety audit was outsourced to auditors from the American Public Transportation Association (APTA) who are scheduled to perform the audit the week of October 6, 2025. The audit report will be presented at the December 2025 audit committee meeting.

Discussion ensued during which Hurst indicated the audits included in the 2025 audit plan would be completed within the plan year.

b. Open Audit Recommendations Report - September 2025

Mike Hurst was joined by Christie Giles, UTA Enterprise Risk Management Administrator.

Hurst reviewed open audit recommendations as of September 2025. His report also included information on recommendations closed since the last audit committee meeting on June 16, 2025, as well as adjustments to the internal audit follow-up process.

Discussion ensued. Questions on support vehicle controls across UTA facilities, support vehicle demand, and longstanding high-risk open issues were posed by the committee and answered by staff.

Chair Christensen requested an update on open audit recommendations from 2021 and 2022.

5. Internal Audit Reports**a. Light Rail Safety Audit (25-08)**

Mike Hurst was joined by Travis King, UTA Director of Safety & Security.

Hurst reviewed the light rail safety audit scope and results. He noted the report was limited to observations with no recommendations.

King summarized next steps in addressing recommendations.

Discussion ensued. Questions on audit scope and resource capacity were posed by the committee and answered by staff.

b. Special Services Operations Audit (25-05)

Mike Hurst was joined by Johanna Goss, UTA Senior Internal Auditor, Ryan Taylor, UTA Special Services General Manager, and Andres Colman, UTA Chief Operations Officer.

Goss reviewed the special services operations audit scope and results, including recommendations.

Taylor spoke on next steps in addressing recommendations.

Discussion ensued. Questions on standard operating procedure (SOP) revisions, special services scheduling processes and requirements, and commercial driver license (CDL) tracking and renewal processes were posed by the committee and answered by staff.

c. Purchase Card Program Audit (25-03)

Mike Hurst was joined by Luke Barber, UTA Senior Internal Auditor, and Viola Miller, UTA Chief Financial Officer.

Barber reviewed the purchase card program audit scope and results, including recommendations.

Miller spoke on next steps in addressing recommendations.

Discussion ensued. Questions on purchase card transaction testing, transaction review requirements, card termination processes, paid sales tax recovery, program management improvements, and timeframes for addressing recommendations were posed by the committee and answered by staff.

6. Other Business

- a. Next Meeting: Monday, December 15th, 2025 at 3:00 p.m.

7. Closed Session

- a. **Strategy Session to Discuss Topics as Defined in Utah Code 52-4-205 (1):**
 - **Deployment of security personnel, devices, or systems**

Chair Christensen indicated there were matters to be discussed in closed session related to the deployment of security personnel, devices, or systems.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, for a closed session. The motion carried by a unanimous vote and closed session convened at 4:13 p.m.

8. Open Session

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, to return to open session. The motion carried by a unanimous vote and the meeting reconvened in open session at 4:32 p.m.

b9. Adjourn

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, to adjourn the

meeting. The motion carried by a unanimous vote and the meeting adjourned at 4:32 p.m.

Transcribed by Cathie Griffiths
Board Administration Manager
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/1023225.html> for entire content. Meeting materials, along with a time-stamped video recording, are also accessible at <https://rideuta.granicus.com/player/clip/387>.

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

Approved Date:

Carlton J. Christensen
Chair, Board of Trustees



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Viola Miller, CFO
PRESENTER(S): Rob Lamph, Comptroller

TITLE:

External Financial Auditor Recommendation

AGENDA ITEM TYPE:

Audit - Approval

RECOMMENDATION:

Recommend to the Board of Trustees the selection of Crowe, LLP as the agency's external financial auditor

BACKGROUND:

State law requires the Authority to conduct an independent audit annually. Additionally, the Authority must complete a Single Audit of all federally funded programs it administers to maintain eligibility for continued funding. The Single Audit is a standard requirement for most local governments, including the Utah Transit Authority. The Authority also solicited services for auditing the pension plan and reviewing the agreed upon procedures for the National Transit Database reporting. Staff issued a Request for Proposal for Independent Auditors and received proposals from six audit firms.

DISCUSSION:

The selection committee reviewed and evaluated each proposal based on the firm's experience with governmental auditing, including transit agencies, staff qualifications, ability to deliver the required services, and cost. Crowe, LLP received the highest overall score. Accordingly, the committee recommends engaging Crowe, LLP as the agency's independent auditor for an initial three-year term, with two one-year options, for a maximum contract period of five years.

While Crowe, LLP served as the agency's previous audit firm, the Government Finance Officers Association (GFOA) best practices emphasize prioritizing a firm's qualifications in government and specific industries over simply rotating auditors. Crowe, LLP brings substantial experience in auditing government and transit

agencies.

ALTERNATIVES:

The Committee could choose to not make a favorable recommendation to the Board of Trustees to approve Crowe, LLP as the agency's external financial auditor.

FISCAL IMPACT:

The Comptroller's annual budget includes an allocation for the annual external financial audit.

ATTACHMENTS:

None



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
THROUGH: Jay Fox, Executive Director
FROM: Viola Miller, CFO
PRESENTER(S): Rob Lamph, Comptroller

TITLE:

Draft External Auditor Engagement Letters for 2025 Audits (Crowe LLP)

AGENDA ITEM TYPE:

Discussion

RECOMMENDATION:

Review the proposed draft engagement letters with Crowe LLP for UTA's 2025 external financial, pension, single audits, and NTD agreed upon procedure.

BACKGROUND:

It is proposed that Crowe LLP be contracted to perform UTA's external financial audit, single audit, pension audit, and agreed upon procedure for National Transit Database (NTD) compliance. Pending final board approval of the contract with Crowe LLP, Crowe will complete these audits, and subsequently 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 State Compliance Audit Guide

Due to external factors, including audits and legal developments, engagement letters may change over the course of the five-year contract. Each audit year, Crowe LLP will issue an updated engagement letter that reflects changes in the evolving audit and legal environment, as well as any new requirements in effect at the

time the letter is issued.

DISCUSSION:

The objective of the audit is to express an opinion on the financial statements. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America, including the financial audit standards 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).

These standards require reasonable, rather than absolute, assurance that the financial statements are free from material misstatement, whether due to error or fraud. They also require UTA to report on the Schedule of Expenditures of Federal Awards, as well as on UTA's compliance with applicable laws and regulations and its internal controls, as required for a Single Audit. Because of the inherent limitations of both an audit and internal control, there is an unavoidable risk that some material misstatements may not be detected, even when the audit is properly planned and executed in accordance with applicable standards. An audit is not designed to detect errors or fraud that are 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 procedures beyond those agreed upon by UTA. These procedures are performed in accordance with guidance issued by the FTA.

ALTERNATIVES:

UTA could refuse the terms of the engagement letter and seek alternative auditors for the 2025 Audits.

FISCAL IMPACT:

5-year Contract Amount \$642,920

ATTACHMENTS:

- 1) DRAFT Audit Engagement Letter
- 2) DRAFT NTD Engagement Letter



Crowe LLP

Independent Member Crowe Global

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www.crowe.com

December 3, 2025

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

Dear Ms. Miller:

This letter agreement confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services, as more fully set forth herein (the "Services"), and the deliverables set forth herein (the "Deliverables") to Utah Transit Authority ("you", "your" or "Client"). The attached Crowe Engagement Terms, and any attachments or addenda thereto, are an integral part of this letter agreement and are incorporated herein by reference (collectively, the letter agreement, Crowe Engagement Terms, and any attachments or addenda are defined as the "Agreement").

AUDIT SERVICES

Our Responsibilities

We will audit and report on the financial statements of the Client for the year ending December 31, 2025.

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 document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- Introductory Section of the Comprehensive Annual Financial Report
- Statistical Section of the Comprehensive Annual Financial Report

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.

Management has requested that we report key audit matters in the independent auditor's report.

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, 2025 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.

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.

Although some professionals assigned to the engagement may have a Juris Doctor, an L.L.M., or other law degree, Crowe and its personnel do not practice law and have not been engaged to provide any legal advice. You acknowledge and agree that neither Crowe nor any of our personnel will be asked or engaged to provide any legal advice in providing any services to you.

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.

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.

Monitoring independence includes monitoring affiliates and obtaining information about those entities. For the purpose of complying with applicable independence requirements, the Client agrees to provide Crowe, at least annually, a complete and accurate legal entity listing (e.g. component units included in the Client's financial statements), and a listing of other affiliated entities not included on the legal entity listing (e.g. joint ventures, jointly governed organizations, related organizations, and equity method investments). Crowe's independence may be impaired when an event occurs that impacts the Client's financial reporting entity. The financial reporting entity includes a primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. The Client is responsible for providing Crowe timely, advance notice of events impacting the financial reporting entity so that both parties may assess the impact, if any, of such event on independence. Such notice may include timely providing Crowe notice of any changes in financial accountability amongst the primary government and current and potential component units including changes in board appointment responsibilities, financial benefit/burden relationships, or fiscal dependence. In assessing the impact of such event on independence, the parties will take appropriate action, which may require us to terminate the engagement. In addition, an impairment that extends to engagements with affiliates may require us to terminate multiple engagements, including those that may not be specific to this engagement letter.

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.

Management is responsible for report distribution responsibilities, including determining which officials or organizations will receive the report and making the report available to the public as applicable when the audit organization is responsible for report distribution.

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 and other required information for the Annual Comprehensive Financial Report (ACFR). 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, in line with Contract 25-03981PP, are outlined below.

Description of Services	Fee Amount
Audit of Utah Transit Authority Financial Statements	\$94,350
Audit of Utah Transit Authority Defined Benefit Pension Plan	\$18,200
ACFR Preparation Assistance	\$8,900
Total:	\$121,450

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.

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 Contract # 25-03981PP (the "Contract:), 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 Contract, 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 Contract 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 Agreement 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 of this Agreement 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

IntDate

Date

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 timely provide Crowe with information requested and to make available to Crowe any personnel, systems, premises, records, data, 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 by the parties. Client agrees Crowe will have no responsibility for any delays 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 or becomes 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 or this Agreement in whole or in part.

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 by the parties, 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's use of any Crowe Work Product (as defined below) 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 publicly available 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.

CLIENT-REQUIRED CLOUD USAGE – If Client requests that Crowe access information on a third-party cloud-based system including, without limitation iCloud, Dropbox, Google Docs, Google Drive (collectively, "Cloud Storage"), Client shall ensure that Client or such third-party is in compliance with all applicable laws, 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 – Client may transfer information that can be linked to specific individuals who are Client's personnel or customers ("Personal Data") if such information is necessary to provide the Services. Crowe will process Personal Data as authorized by Client and permitted by applicable law. Client warrants (i) that it has the authority to provide the Personal Data to Crowe in connection with the Services, and (ii) that Client has processed and provided the Personal Data to Crowe in accordance with

applicable law. To the extent Crowe processes Personal Data, Crowe will process such information in accordance with the Data Processing Addendum located at <https://www.crowe.com/dpa>.

EMAIL ENCRYPTION – 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.

INTELLECTUAL PROPERTY – Any Deliverables, works, inventions, working papers, output and all other work product conceived, made or created by or on behalf of Crowe through or in connection with the Services under this Agreement (“Work Product”), and all intellectual property rights in such Work Product will be owned exclusively by Crowe. Upon full payment by Client, Crowe grants to Client a non-exclusive license to use for its business purposes any Deliverables, including any other Work Product incorporated in such Deliverables. Crowe retains exclusive ownership or control of all intellectual property rights in any ideas, concepts, methodologies, data, software, enhanced or derived data, and elements thereof, designs, utilities, tools, models, techniques, systems, Reports, or other know-how that it develops, owns or licenses in connection with this Agreement as well as any enhancements and derivatives to any of the above (“Materials”). Crowe provides the same or similar services to other clients; therefore, Client agrees that nothing in this Agreement shall preclude Crowe from developing for itself, having developed, or developing for others, anything that is similar or competitive with the Work Product. The foregoing ownership will be without any duty of accounting.

CLIENT DATA USAGE – Client shall retain full ownership of all data provided to Crowe by or on behalf of Client in connection with this Agreement, and Crowe will maintain the confidentiality and protection of Client data as set forth in this Agreement. Client warrants that (i) Client has the authority to grant Crowe the right to use the data as set forth in this Agreement, (ii) such data was obtained or collected by Client in accordance with all applicable law, and (iii) the data does not infringe on any intellectual or privacy right of a third party. Client agrees that Crowe may, in its discretion, use any Client information or data provided to Crowe for the purpose of (a) performing the Services and its obligations under this Agreement, (b) as otherwise agreed upon in writing, (c) to further improve or develop our products and services, including through machine learning or other similar methods, or (d) as necessary to comply with applicable law or professional standards. Client grants a limited, perpetual, non-exclusive, irrevocable right to use the data provided by Client to the extent such data becomes a part of or incorporated into any Work Product or Materials.

DATA AGGREGATION – Client 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 deidentify or 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.

USE OF THIRD PARTIES IN CROWE OPERATIONS – Crowe uses third-party providers and third-party solutions in the ordinary course of Crowe business operations. Third-party providers and solutions used in the ordinary course of Crowe business operations include without limitation email providers, cyber-security providers, data hosting centers, operating systems, tools with machine learning or artificial intelligence components (including generative artificial intelligence products or services), and other third-party products and solutions used to perform the Services or generate Work Product, or components thereof. 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.

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.

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, even if Crowe had reason to know of the possibility of such damages.

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.

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) one (1) year 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.

INDEMNIFICATION FOR THIRD-PARTY CLAIMS – In the event of a legal proceeding or other claim brought against Crowe by a third party, except where it is judicially determined that Crowe performed Services with recklessness or willful misconduct, Client agrees to indemnify and hold harmless Crowe and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fines, fees or defense costs, associated with such third party claim, relating to or arising from any Services performed or work product provided by Crowe that Client uses or discloses to others or this engagement generally. This indemnification is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim, liability, or damages asserted, including, without limitation, to claims, liability or damages based on principles of contract, negligence or other tort, fiduciary

duty, warranty, indemnity, statute or common law. This indemnification will also apply after termination or expiration of 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.

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.

MEDIATION – If a dispute arises, in whole or in part, out of or related to this engagement, or this Agreement, after the date of this Agreement, between Client or any of Client's affiliates or principals and Crowe, and if the dispute cannot be settled through negotiation, Client and Crowe agree first to try, in good faith, to settle the dispute by mediation administered by the American Arbitration Association, under its mediation rules for professional accounting and related services disputes, before resorting to litigation or any other dispute-resolution procedure. The results of mediation will be binding only upon agreement of each party to be bound. Costs of any mediation will be shared equally by both parties. Any mediation will be held in Chicago, Illinois.

JURY TRIAL WAIVER – FOR ALL DISPUTES RELATING TO OR ARISING BETWEEN THE PARTIES, THE PARTIES AGREE TO WAIVE A TRIAL BY JURY TO FACILITATE JUDICIAL RESOLUTION AND TO SAVE TIME AND EXPENSE. EACH PARTY AGREES IT HAS HAD THE OPPORTUNITY TO HAVE ITS LEGAL COUNSEL REVIEW THIS WAIVER. THIS WAIVER IS IRREVOCABLE, MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND APPLIES TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A BENCH TRIAL WITHOUT A JURY. HOWEVER, AND NOTWITHSTANDING THE FOREGOING, IF ANY COURT RULES OR FINDS THIS JURY TRIAL WAIVER TO BE UNENFORCEABLE AND INEFFECTIVE IN WAIVING A JURY, THEN ANY DISPUTE RELATING TO OR ARISING FROM THIS ENGAGEMENT, THIS AGREEMENT, OR THE PARTIES' RELATIONSHIP GENERALLY WILL BE RESOLVED BY ARBITRATION AS SET FORTH IN THE PARAGRAPH BELOW REGARDING "ARBITRATION."

ARBITRATION – If any court rules or finds that the JURY TRIAL WAIVER section is not enforceable, then any dispute between the parties relating to or arising from this Agreement or the parties' relationship generally will be settled by binding arbitration in Chicago, Illinois (or a location agreed in writing by the parties). Any issues concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of this Section, will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The arbitration will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). Regardless of the amount in controversy, the arbitration will be administered by JAMS, Inc. ("JAMS"), pursuant to its Streamlined Arbitration Rules & Procedures or such other rules or procedures as the parties may agree upon in writing. In the event of a conflict between those rules and this Agreement, this Agreement will control. The parties may alter each of these rules by written agreement. If a party has a basis for injunctive relief, this paragraph will not preclude a party from seeking and obtaining injunctive relief in a court of proper jurisdiction. The parties will agree within a reasonable period of time after notice is made of initiating the arbitration process whether to use one or three arbitrators, and if the parties cannot agree within fifteen (15) business days, the parties will use a single arbitrator. In any event the arbitrator(s) must be retired federal judges or attorneys with at least 15 years commercial law experience and no arbitrator may be appointed unless he or she has agreed to these procedures. If the parties cannot agree upon arbitrator(s) within an additional fifteen (15) business days, the arbitrator(s) will be selected by JAMS. Discovery will be permitted only as authorized by the arbitrator(s), and as a rule, the arbitrator(s) will not permit discovery except upon a showing of substantial need by a party. To the extent the arbitrator(s) permit discovery as to liability, the arbitrator(s) will also permit discovery as to causation, reliance, and damages. The arbitrator(s) will not permit a party to take more than six depositions, and no depositions may exceed five hours. The arbitrator(s) will have no power to make an award inconsistent with this Agreement. The arbitrator(s) will rule on a summary basis

where possible, including without limitation on a motion to dismiss basis or on a summary judgment basis. The arbitrator(s) may enter such prehearing orders as may be appropriate to ensure a fair hearing. The hearing will be held within one year of the initiation of arbitration, or less, and the hearing must be held on continuous business days until concluded. The hearing must be concluded within ten (10) business days absent written agreement by the parties to the contrary. The time limits in this section are not jurisdictional. The arbitrator(s) will apply substantive law and may award injunctive relief or any other remedy available from a judge. The arbitrator(s) may award attorney fees and costs to the prevailing party, and in the event of a split or partial award, the arbitrator(s) may award costs or attorney fees in an equitable manner. Any award by the arbitrator(s) will be accompanied by a reasoned opinion describing the basis of the award. Any prior agreement regarding arbitration entered by the parties is replaced and superseded by this agreement. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. All aspects of the arbitration will be treated by the parties and the arbitrator(s) as confidential.

CONSENT TO JURISDICTION AND FORUM SELECTION – Subject to the section on Arbitration, the parties agree that all actions or proceedings arising from or relating to this Agreement shall be tried and litigated exclusively in the state or federal courts located in Cook County, Illinois, and each party hereby consents to personal jurisdiction in such courts. This choice of venue is intended to be mandatory and is not permissive. Each party waives any right it may have to assert the doctrine of forum non conveniens or similar argument and any objection to venue. Each party stipulates that the state and federal courts in Chicago, Illinois, shall have personal jurisdiction and venue over each of them for the purpose of litigating any dispute, controversy, or proceeding arising out of or related to this Agreement.

NON-SOLICITATION – Each party acknowledges that it has invested substantially in recruiting, training and developing the personnel who render services with respect to the material aspects of the engagement (“Key Personnel”). The parties acknowledge that Key Personnel have knowledge of trade secrets or confidential information of their employers that may be of substantial benefit to the other party. The parties acknowledge that each business would be materially harmed if the other party was able to directly employ Key Personnel. Therefore, the parties agree that during the period of this Agreement and for one (1) year after its expiration or termination, neither party will solicit Key Personnel of the other party for employment or hire the Key Personnel of the other party without that party’s written consent, unless the hiring or engaging party pays to the other party a fee equal to the hired or engaged Key Personnel’s compensation for the prior twelve-month period with the other party.

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 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, 2025. 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. 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 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, 2025, 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

Atlanta, Georgia
September 17, 2025



National Peer
Review Committee

October 16, 2025

Steven Strammello Crowe LLP
225 East Wacker Drive Ste 2600
Chicago, IL 60601

Dear Steven Strammello:

It is my pleasure to notify you that on October 16, 2025, 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, 2028. 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 'Liz Gantnier', with a stylized flourish at the end.

Liz Gantnier
Chair, National PRC

+1.919.402.4502

cc: John Klisch, Jennifer Allen

Firm Number: 900010014904

Review Number: 614764

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Crowe LLP

Independent Member Crowe Global

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Tel +1 317 569 8989
Fax +1 317 706 2660
www.crowe.com

December 3, 2025

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

Dear Viola 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, 2025 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 2025 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. Because these procedures will not constitute an examination or review, the objective of which would be the expression of an opinion or conclusion on the Authority'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 or the 2025 FTA Policy Manual, we will not express such an opinion or conclusion.

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 or review. Thus, this engagement does not provide assurance that we will become aware of significant matters that would be disclosed in an examination or review. 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 Federal Transit Administration. 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.

Although some professionals assigned to the engagement may have a Juris Doctor, an L.L.M., or other law degree, Crowe and its personnel do not practice law and have not been engaged to provide any legal advice. You acknowledge and agree that neither Crowe nor any of our personnel will be asked or engaged to provide any legal advice in providing any services to you.

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 *2025 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, 2025. 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 Contract 25-03981PP (the "Contract") 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 Contract, 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 Contract 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 Agreement 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 of this Agreement 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

Bradley Schelle

Printed Name

Printed Name

Partner

Title

Title

Date

Date

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, 2025 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 2025 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 2025 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 2025 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 ± 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 2025 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 2025 report year, the Agency Revenue Service Date must occur within the transit agency's 2025 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.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Mike Hurst, Director Internal Audit
PRESENTER(S): Mike Hurst, Director Internal Audit

TITLE:

2025 Internal Audit Plan Amendment Approval

AGENDA ITEM TYPE:

Audit - Approval

RECOMMENDATION:

Approve the amendments to the 2025 Internal Audit Plan to add two additional projects as presented.

BACKGROUND:

UTA's Audit Committee Charter, and Internal Audit Charter both require the Internal Auditor to annually submit an audit plan to the Audit Committee for approval. This plan is based on assessments of risk and input from management. A plan was approved on March 10, 2025. Internal Audit anticipates additional capacity towards the end of the audit plan year and is proposing the plan be amended to add two additional audits.

DISCUSSION:

Internal Audit is proposing the following projects be added to the 2025 Internal Audit Plan:

1. 25-14 Information Technology Physical and Environmental Security Audit
2. 25-15 Job Description Process Audit

ALTERNATIVES:

The Audit Committee can reject specific projects, or the entire amendment and Internal Audit will revise the plan according to feedback.

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

- 2025 Internal Audit Plan Amended



Date: 10/22/2025 (Revised Audit Plan); 2/13/2025 (Original Audit Plan)
To: UTA Audit Committee
From: Mike Hurst, Director Internal Audit
Subject: Background Information for the 2025 Internal Audit Plan

Introduction

The following Audit Plan was drafted with input from senior management, assessment of risks and fraud risk, and by the results of past assurance activities. Each project lists key background information, how the project supports the Strategic Priorities from the Utah Transit Authority (“UTA”) 2030 Strategic Plan. Those strategic priorities are 1) Moving Utahns to a Better Quality of Life 2) Exceeding Customer Expectations 3) Achieving Organizational Excellence 4) Building Community Support 5) Generating Critical Economic Return. All five Strategic Objectives are covered by at least one project on the Audit Plan.

The Audit Plan also documents how projects help to address the top perceived risks as documented by the UTA Enterprise Strategy Office. Those risks are 1) Technology 2) Strategy/Planning 3) Regulatory Compliance 4) Infrastructure 5) Operational 6) Financial 7) Information Security 8) Reputational. All risks are covered by at least one project except for Information Security and Strategy/Planning.

Internal Audit lacks the in-house expertise to perform advanced audits related to Information Security and lacks the financial resources to outsource Information Security audits without specific request through the budget process. Internal Audit has partnered with the Information Technology department to provide assurance over Information Security. Internal Audit will contact Information Technology at the start of each audit, and they will consider the Information Security environment applicable to the audit and provide any technical assistance needed to audit the Information Security components.

Internal Audit considered projects that would cover Strategy/Planning, but none made the final Audit Plan. Both Strategy and Planning were significant topics in a recent audit completed by the State of Utah Legislative Auditors. There is not presently significant assurance gap from Internal Audit not including any projects in these areas.

Amendment to the Audit Plan

Internal Audit is ahead of schedule on completing the Audit Plan approved on March 10, 2025. We propose two additional audit engagements to be added as an amendment to the 2025 Audit Plan, an audit of Information Technology Physical and Environmental Security and an audit of the UTA job description drafting process. Details of the proposed audits are documented in the next section.

Internal Audit Projects

1. 25-01 Environmental Governance

Background: UTA is subject to government regulations around environmental concerns, such as properly storing fuel and managing fuel spills. The Capital Services office manages UTA's environmental compliance. This audit will evaluate the governance aspects of the UTA environmental compliance management. Governance topics include evaluating aspects of the department such as resource levels, establishment of governance through policy, and execution of governance through procedure and training.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Quality of Life; Organizational Excellence; Economic Return

Related Risks: Regulatory/Compliance; Reputational, Operational

2. 25-02 Vanpool Operations

Background: Vanpool refers to a UTA public group commuting program. This audit will evaluate the governance of the department that runs the program, how maintenance of vehicles is handled, compliance with applicable safety practices, and compliance with applicable civil rights related topics.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Quality of Life; Customer Experience; Community Support; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational; Regulatory/Compliance

3. 25-03 Purchase Card Program

Background: UTA has purchase cards (credit cards) to help employees efficiently make micro purchases that do not require formal bids or other procurement methods to be applied. This audit will evaluate the governance of the department that runs the purchase card program, evaluate cardholder compliance with program policies and procedures, and analyze transaction data for indicators of fraud, waste, or abuse.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Organizational Excellence; Economic Return

Related Enterprise Risks: Financial

4. 25-04 Video Security

Background: UTA has video security cameras installed in facilities and on certain vehicles as a tool for safety and security. This audit will evaluate the governance of the department that runs the video security

program and will evaluate the effectiveness of the program. Guidance published by the American Public Transportation Association (“APTA”) will be used as audit criteria for evaluating effectiveness of the program.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Community Support; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational, Regulatory/Compliance; Infrastructure; Reputational; Technology

5. 25-05 Special Services Operations

Background: Special Services is the business unit that oversees the operation and maintenance of the UTA transportation modes designed for people whose functional abilities required individualized transportation service, as Paratransit, flex route in the fixed route bus system, and vanpool. This audit will focus (but not be excluded to) paratransit and flex route modes. We will evaluate the governance of the business unit that runs the program, how maintenance of vehicles is handled, how trip scheduling is performed, how dispatching is performed, compliance with applicable safety practices, and compliance with applicable civil rights related topics.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Quality of Life; Customer Experience; Community Support; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational; Regulatory/Compliance

6. 25-06 Drug and Alcohol Compliance

Background: UTA is subject to government regulations regarding employee’s use of drugs and alcohol. The UTA People Office manages compliance with these requirements. The specific topics of the audit will be developed in consultation with Bailey White Solutions LLC, a firm contracted by UTA to provide Federal Grant Compliance Management Services. This audit was requested by a member of senior management with nexus to our drug and alcohol compliance requirements.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational

7. 25-07 Buy America Compliance

Background: UTA is subject to regulations that require the use of American-made products in federally funded transportation projects. The specific topics of the audit will be developed in consultation with Bailey White Solutions LLC, a firm contracted by UTA to provide Federal Grant Compliance Management Services. This audit was requested by a member of senior management with nexus to our Buy America compliance requirements.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Economic Return

Related Enterprise Risks: Regulatory/Compliance; Financial

8. 25-08 Light Rail Safety

Background: UTA annually completes safety audit based on checklists produced by the Federal Transit Administration. This safety audit is focused on the Light Rail mode. The audit report for this project will go through the UTA Safety department, not through the UTA Audit Committee.

Related Strategic Priorities from the 2025 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational; Operational, Infrastructure

9. 25-09 Commuter Rail Safety

Background: UTA annually completes safety audit based on checklists produced by the Federal Transit Administration. This safety audit is focused on the Commuter Rail mode. The audit report for this project will go through the UTA Safety department, not through the UTA Audit Committee.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational; Operational; Infrastructure

10. 25-10 Mount Ogden Bus Maintenance

Background: Mount Ogden is a business unit that operates fixed bus routes in Davis and Weber counties. This audit will be focused on the maintenance performance of this business unit.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence; Economic Return

Related Enterprise Risks: Operational

11. 25-11 Assurance Map

Background: An assurance map is a document that visually depicts an organization's risks and all the assurance (audit) activities that cover those risks. As of January 2025, the audit standards that UTA Internal Audit follows requires an Assurance Map. Internal Audit will develop an Assurance Map and maintain it moving forward.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance

Outsourced Projects

12. 25-12 Bus Safety Audit

Background: UTA management requested that bus safety audit be added to accompany the Light Rail and Commuter Rail safety audits. For the first year of an annual audit, Internal Audit and management decided to outsource the audit to APTA. APTA offers a standard audit program and includes topics requested by management. The cost of the audit will be covered by the Internal Audit budget.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Customer Experience; Organizational Excellence

Related Enterprise Risks: Regulatory/Compliance; Reputational; Operational, Infrastructure

13. 25-13 Construction Audit

Background: A third-party will be contracted to perform an audit over a UTA construction project. The audit is focused on contractor cost compliance against the related contract, not UTA internally. The cost of the audit will be covered by the Internal Audit budget.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Economic Return

Related Enterprise Risks: Infrastructure; Financial; Regulatory/Compliance

Internal Audit Projects – Amendment

14. 25-14 Information Technology Physical and Environmental Security Audit

Background: This audit will be focused on the physical and environmental controls designed by management to protect information and technology assets. Audit procedures will be based on guidance published by the Information Systems Audit and Control Association (ISACA). This engagement was selected to help address a coverage gap related to technology identified in the 2025 Assurance Map.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Organizational Excellence

Related Enterprise Risks: Information Security; Technology

15. 25-15 Job Description Process Audit

Background: This audit will review the procedures of the People Office for guiding departments on creating and updating job descriptions. Internal Audit will review all UTA job descriptions during this audit to verify when they were last updated and if essential elements, such as minimum experience and job duties, are present in the documents.

Related Strategic Priorities from the 2030 UTA Strategic Plan: Organizational Excellence

Related Enterprise Risks: Operational



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
THROUGH: Jay Fox, Executive Director
FROM: Alisha Garrett, Chief Enterprise Strategy Officer
PRESENTER(S): Christie Giles, Enterprise Risk Management Administrator

TITLE:

2025 Agency Risk Assessment Report

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

We recommend that the Internal Audit Committee review this report.

BACKGROUND:

The Agency Risk Assessment is performed every two years. The assessment captures perceived risks from UTA leaders with at least one direct report without an accompanying validation process. It helps UTA identify areas to explore for deeper understanding and possible remediation to support the achievement of strategic objectives.

DISCUSSION:

- UTA risk levels are perceived as being 17% higher overall than in 2023. They are rated overall as "Moderate." This exceeds UTA's desired Low-moderate Risk Appetite.
- UTA risk controls are perceived as slightly less effective than in 2023. They are rated overall as "Partially or Moderately Effective."
- Level 1, 2 and 3 Risk categories were identified and are being used to inform UTA leadership priorities. During 2026-27, under the direction of the Executive Director, the Executive Team will implement a coordinated approach to reduce the top risks impacting employee workload: 1) Position Workload Not Balanced; 2) Inefficient/Ineffective Organizational Design; and 3) Inadequate Staff and/or Resource Allocation.

ALTERNATIVES:

Not reviewing this report would result in reduced Board visibility into the risks impacting the achievement of Agency strategic objectives.

FISCAL IMPACT:

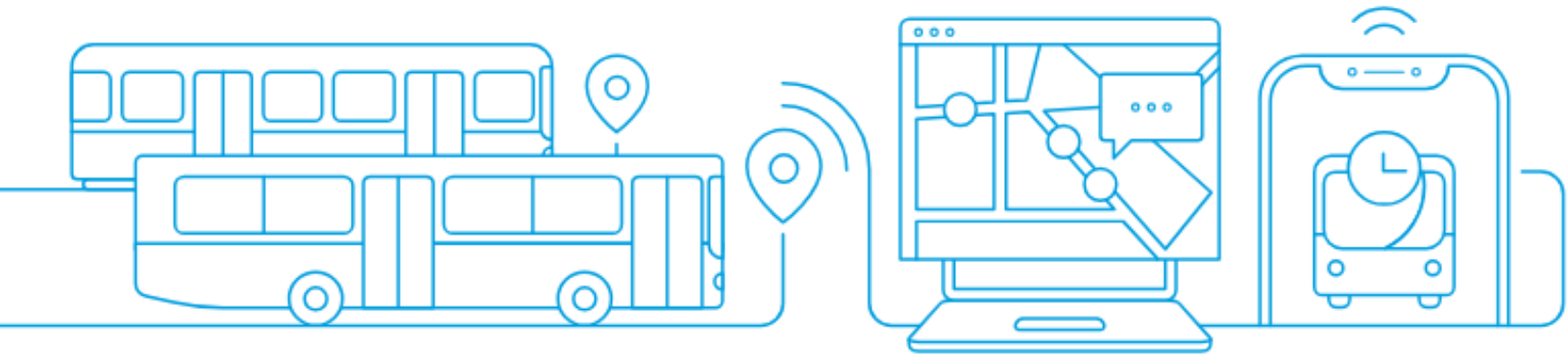
There is no fiscal impact related to this report.

ATTACHMENTS:

- 1) Agency Risk Assessment Report

AGENCY RISK REPORT

Q4 2025



UTA conducted its fourth Agency Risk Assessment in 2025. The assessment captures perceived risks from UTA leaders without an accompanying validation process. It helps UTA identify areas to explore for deeper understanding and possible remediation to improve the Agency Enterprise Risk Management (ERM) posture.

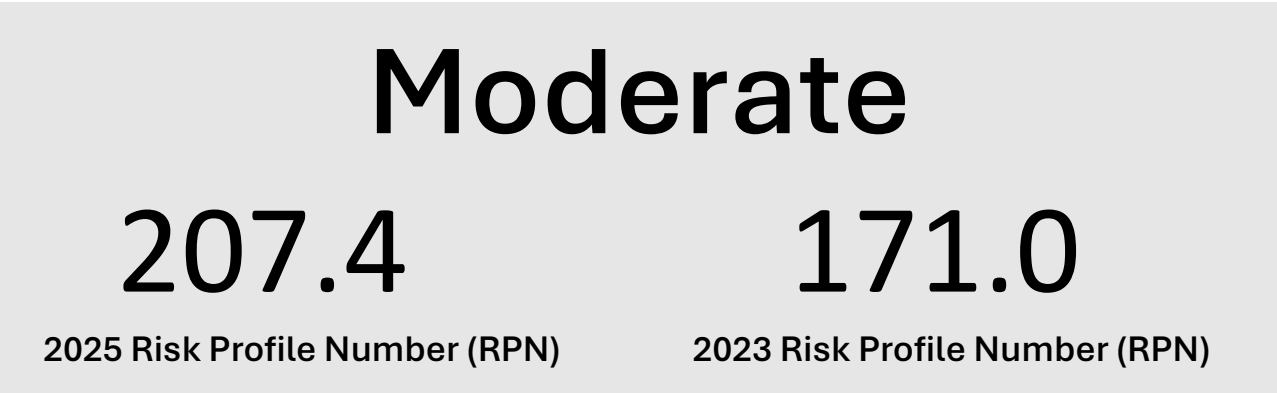
Key Results

- UTA risk levels are perceived as being 17% higher overall than in 2023. They are rated overall as “Moderate.” This exceeds UTA’s desired Low-moderate Risk Appetite.
- UTA risk controls are perceived as slightly less effective than in 2023. They are rated overall as “Partially or Moderately Effective.”

UTA Risk Profile Number

UTA has adopted the Failure Mode and Effects Analysis (FMEA) methodology developed by NASA as its risk assessment methodology. Risk Priority Numbers (RPNs) are calculated for perceived risks by multiplying Severity (SEV), Occurrence (OCC) and Detection (DET) ratings provided by leaders. To determine aggregated RPNs, individual RPNs are summed and averaged.

The overall perceived RPN for UTA increased slightly from 2023 to 2025 but still corresponds to a Moderate risk level.



UTA Risk Assessment Methodology

In 2025, leaders perceive UTA as being less effective at controlling risk. (Higher control effectiveness ratings correspond to lower control effectiveness levels.) Agency control effectiveness is rated as “Partially or Moderately Effective.”

Partially or Moderately Effective

4.88

2025 Control Effectiveness Rating

4.27

2023 Control Effectiveness Rating

Perceived Level 1 Risk Categories

All risks identified by UTA leaders are organized into eight Level 1 Risk categories. From 2023 to 2025, Technology Risk remained at the top of the list, representing the highest Level 1 Risk at UTA. Regulatory/Compliance Risk experienced the only RPN decrease in 2025, while Information Security experienced the greatest RPN increase.

Perceived Level 1 Negative Risk	Risk Appetite	Perceived Current Risk Level	Average RPN	% Change from 2023	Risk Owners
Technology	Moderate (144-359)	Moderate (144-359)	278.0	↑ 22.07%	Alisha Garrett
Infrastructure	Low (1-80)	Moderate (144-359)	231.70	↑ 15.54%	Andres Colman/Jon Larsen
Strategy/Planning	Moderate (144-359)	Moderate (144-359)	218.2	↑ 10.97%	Alisha Garrett/Nichol Bourdeaux
Financial	Low (1-80)	Moderate (144-359)	207.6	↑ 19.10%	Viola Miller
Information Security	Low (1-80)	Moderate (144-359)	193.1	↑ 26.84%	Alisha Garrett
Operational	Low (1-80)	Moderate (144-359)	192.4	↑ 21.14%	Ann Green-Barton/Andres Colman/Travis King
Regulatory/Compliance	Low (1-80)	Moderate (144-359)	161.6	↓ 21.84%	Alisha Garrett/Andres Colman
Reputational	Low (1-80)	Moderate (144-359)	157.8	↑ 16.70%	Annette Royle/Andres Colman/CCO

Perceived Top Level 2 Risk Categories

Identified risks were classified into 22 Level 2 Risk categories in 2025. The top eight are listed below.

Level 2 Risks that were present on the 2023 top eight list but are not included in 2025 top eight list are External Stakeholders, Nonadherence, and Communication.

Risk levels for Organizational Structure and Software decreased in 2025. Risk ratings for all other Level 2 Risk categories increased.

Perceived Level 2 Negative Risk	Risk Appetite	Perceived Current Risk Level	Average RPN	% Change from 2023
Hardware*	Moderate (144-359)	Moderate (144-359)	336.10	↑83.86%
Organizational Structure	Low (1-80)	Moderate (144-359)	284.45	↓12.83
Compensation and Benefits	Low (1-80)	Moderate (144-359)	280.38	↑7.48%
Unpleasant Customer Experience*	Low (1-80)	Moderate (144-359)	254.80	↑57.74%
Leadership	Moderate (144-359)	Moderate (144-359)	246.00	↑14.30%
Software	Moderate (144-359)	Moderate (144-359)	239.57	↓5.52%
Parts*	Low (1-80)	Moderate (144-359)	229.92	↑23.60%
People	Low (1-80)	Moderate (144-359)	220.59	↑10.45%

*New to top eight list in 2025

Perceived Top Level 3 Risk Categories

Identified risks were classified into Forty-seven Level 3 Risk categories in 2025. The top eight are listed below.

Several Level 3 Risks observed on the 2023 list are no longer present on the 2025 top eight list, including: Insufficient Knowledge of Regulations/Requirements, Not Following Known Regulations/Requirements, Disengaged Employees, Inadequate Communication Between Teams and Individuals, and Asset/Equipment Does Not Meet Needs.

Risk levels for Inefficient/Ineffective Organizational Design decreased in 2025. Risk ratings for all other Level 3 Risk categories increased.

Perceived Level 3 Negative Risk	Risk Appetite	Perceived Current Risk Level	Average RPN	% Change from 2023
Using old/unreliable technology	Moderate (144-359)	Moderate (144-359)	356.56	↑20.35%
Insufficient Behavioral Health*	Low (1-80)	Moderate (144-359)	345.75	↑35.03%
Position workload not balanced*	Low (1-80)	Moderate (144-359)	327.08	New Risk
Inefficient/ineffective organizational design*	Low (1-80)	Moderate (144-359)	317.94	↓18.37%
Lack of adequate space to perform job functions*	Low (1-80)	Moderate (144-359)	299.25	New Risk
Employee unsafe practices*	Low (1-80)	Moderate (144-359)	261.50	↑49.83%
Inadequate staff and/or resource allocation	Low (1-80)	Moderate (144-359)	255.55	↑13.76%
Inability to attract and retain qualified employees	Low (1-80)	Moderate (144-359)	250.06	↑18.49

*New to top eight list in 2025

Three-year Top Level 3 Risk Category Rankings

Over the past three years, Using Old/Unreliable Technology and Inability to Attract and/or Retain Qualified Employees are the only top Level 3 Risk categories that have consistently appeared in the Level 3 top eight risk rankings. However, the Inability to Attract and Retain Qualified Employees risk category was ranked No. 1 in 2023 and is ranked No. 8 in 2025, demonstrating that UTA's hiring practices are actively reducing this risk across UTA.

Perceived Level 3 Negative Risk	2025 Rank	2023 Rank	2022 Rank
Using old/unreliable technology	1	1	2
Insufficient Behavioral Health*	2		
Position workload not balanced*	3		
Inefficient/ineffective organizational design*	4		
Lack of adequate space to perform job functions*	5		
Employee unsafe practices*	6	21	
Inadequate staff and/or resource allocation	7	2	
Inability to attract and retain qualified employees	8	5	1

*New to top eight list in 2025

2026-27 Agency Risk Priorities

Agency Risk Reports are used to inform UTA leadership priorities. During 2026-27, under the direction of the Executive Director, the Executive Team will place additional emphasis on implementing a coordinated approach to reduce the top risks impacting employee workload:

- Position Workload Not Balanced
- Inefficient/Ineffective Organizational Design
- Inadequate Staff and/or Resource Allocation

The top risk Insufficient Behavioral Health will also receive increased attention in 2026-27.

The following Executive Team strategic initiatives are currently planned in 2026 which will support the top risks and help UTA reduce risk and continue to elevate employee engagement and organizational performance:

- Continue Sustainable Service Delivery
- Deploy Workday and Trapeze Modules
- Improve Employee Voice Action Plan
- Improve Employee Safety in the System
- Mature UTA Organizational Excellence Systems

Appendix A – All 2023 Perceived Level 2 Risks

Perceived Level 2 Negative Risk	Risk Appetite	Perceived Risk Level	Average RPN	Percent Change from 2023	Respondents
Hardware	Moderate 144-359	Moderate 144-359	336.10	83.86%	21
Organizational structure	Low 1-80	Moderate 144-359	284.45	-12.83%	105
Compensation and benefits	Low 1-80	Moderate 144-359	280.38	7.48%	13
Unpleasant customer experience	Low 1-80	Moderate 144-359	254.80	57.74%	10
Leadership	Moderate 144-359	Moderate 144-359	246.00	14.30%	34
Software	Moderate 144-359	Moderate 144-359	239.57	-5.52%	42
Parts	Low 1-80	Moderate 144-359	229.92	23.60%	24
People	Low 1-80	Moderate 144-359	220.59	10.45%	202
Training	Low 1-80	Moderate 144-359	208.72	27.85%	96
Connectivity	Moderate 144-359	Moderate 144-359	200.90	100.00%	10
Data integrity	Low 1-80	Moderate 144-359	196.04	56.13%	23
Asset/equipment condition/performance	Low 1-80	Moderate 144-359	194.05	8.14%	114
Data confidentiality	Low 1-80	Moderate 144-359	193.48	34.36%	21
Physical safety/security	Low 1-80	Moderate 144-359	191.26	36.25%	144
Vendor/supplier/third party	Low 1-80	Moderate 144-359	188.84	-3.73%	25
Data availability	Low 1-80	Moderate 144-359	187.23	-93.52%	13
Process	Low 1-80	Moderate 144-359	182.72	34.70%	85
Low customer confidence	Low 1-80	Moderate 144-359	173.51	21.67%	37
Sustainable growth	Moderate 144-359	Moderate 144-359	165.70	24.13%	10
Nonadherence	Low 1-80	Moderate 144-359	162.85	-22.40%	67
Communication	Low 1-80	Moderate 144-359	153.66	-22.56%	32
Financial health	Low 1-80	Moderate 144-359	151.50	100.00%	16
Documentation	Low 1-80	Moderate 144-359	145.85	-15.36%	26
Business continuity/disaster recovery	Low 1-80	Mod-Low 81-143	140.83	-1.75%	42
Maintenance	Low 1-80	Mod-Low 81-143	139.00	40.26%	58
Projects	Low 1-80	Mod-Low 81-143	120.64	-16.51%	11
Tools	Low 1-80	Mod-Low 81-143	117.50	10.29%	24

Appendix B – All 2025 Perceived Level 3 Risks

Perceived Level 3 Negative Risk	Risk Appetite	Perceived Risk Level	Average RPN	Percent Change from 2023	Respondents
Using old/unreliable technology	Moderate 144-359	Moderate 144-359	356.56	20.35%	34
Employees unfit for duty	Low 1-80	Moderate 144-359	345.75	35.03%	8
Position workload not balanced	Low 1-80	Moderate 144-359	327.08	100.00%	13
Inefficient/ineffective organizational design	Low 1-80	Moderate 144-359	317.94	-18.37%	16
Lack of adequate space to perform job functions	Low 1-80	Moderate 144-359	299.25	100.00%	16
Employee unsafe practices	Low 1-80	Moderate 144-359	261.50	49.83%	20
Inadequate staff and/or resource allocation	Low 1-80	Moderate 144-359	255.55	13.76%	58
Inability to attract and retain qualified employees	Low 1-80	Moderate 144-359	250.06	18.49%	64
Parts needed for equipment not available in time	Low 1-80	Moderate 144-359	245.73	-82.32%	22
Network/server failure	Moderate 144-359	Moderate 144-359	242.38	100.00%	8
Conflict between employees and/or teams	Low 1-80	Moderate 144-359	238.21	-4.32%	14
Key roles not present at UTA	Low 1-80	Moderate 144-359	235.44	17.82%	9
Single points of knowledge	Low 1-80	Moderate 144-359	223.44	13.63%	18
Employees not showing up for work or not available to work	Low 1-80	Moderate 144-359	218.40	39.58%	20
Software does not work as planned/designed	Moderate 144-359	Moderate 144-359	210.42	100.00%	12
Violence against employees	Low 1-80	Moderate 144-359	210.07	33.90%	15
Serious accident in system	Low 1-80	Moderate 144-359	207.52	42.59%	21
Insufficient knowledge of regulations/requirements	Low 1-80	Moderate 144-359	204.44	0.22%	18
Lack of consistent direction from leadership	Moderate 144-359	Moderate 144-359	203.44	24.30%	9
Insufficient or ineffective training	Low 1-80	Moderate 144-359	203.19	21.60%	80
Inaccurate or incomplete data	Low 1-80	Moderate 144-359	198.88	53.74%	26
Lack of technical expertise	Low 1-80	Moderate 144-359	195.40	19.77%	15
Lack of a needed software solution	Moderate 144-359	Moderate 144-359	195.25	28.08%	8
Low service reliability	Low 1-80	Moderate 144-359	191.55	22.62%	20
Employees not completing provided/required training	Low 1-80	Moderate 144-359	188.64	50.96%	11
Difficulty finding needed data	Low 1-80	Moderate 144-359	187.23	-93.52%	13
Disengaged employees	Low 1-80	Moderate 144-359	186.14	-2.06%	28
Poor process and/or execution	Low 1-80	Moderate 144-359	183.49	38.02%	70
Poor succession planning and development	Moderate 144-359	Moderate 144-359	182.36	3.65%	11
Worn out asset/equipment failure	Low 1-80	Moderate 144-359	181.47	8.12%	43
Asset/equipment does not meet needs	Low 1-80	Moderate 144-359	175.98	-5.06%	54
Employee injury	Low 1-80	Moderate 144-359	170.08	42.33%	37
Unable to sustain expanded service levels and assets	Moderate 144-359	Moderate 144-359	165.70	24.13%	10
Employees not feeling seen/heard by leadership	Low 1-80	Moderate 144-359	164.88	80.89%	8
Untrustworthy or confusing customer information	Low 1-80	Moderate 144-359	163.14	24.24%	21
Missed preventative maintenance	Low 1-80	Moderate 144-359	162.67	36.99%	9
Not enough revenue to meet organizational needs	Low 1-80	Moderate 144-359	161.11	-23.25%	18
Inadequate communication between teams and individuals	Low 1-80	Moderate 144-359	153.66	100.00%	32
Outdated or missing policies, SOPs and/or job descriptions	Low 1-80	Moderate 144-359	152.63	6.55%	16
Not following known regulations/requirements	Low 1-80	Moderate 144-359	147.02	-36.21%	50
Vulnerability to cybersecurity threat	Low 1-80	Moderate 144-359	143.67	13.49%	12
Inadequate business continuity/disaster recovery capability	Low 1-80	Mod-Low 81-143	140.83	-1.75%	42
Fraud	Low 1-80	Mod-Low 81-143	138.22	-46.14%	9
Broken equipment needs repair	Low 1-80	Mod-Low 81-143	128.32	37.48%	41
Needed tools not provided, not functional, or worn out	Low 1-80	Mod-Low 81-143	115.95	100.00%	19
Unsecured facilities	Low 1-80	Mod-Low 81-143	114.00	-40.25%	12
Snow/ice not removed timely	Low 1-80	Mod-Low 81-143	104.00	-29.37%	13



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Mike Hurst, Director Internal Audit
PRESENTER(S): Mike Hurst, Director Internal Audit

TITLE:

Internal Audit Update

- 2025 Internal Audit Plan Status
- Update on progress of outsourced audit 25-12 Bus Safety Audit
- Update on progress of outsourced audit 25-13 Construction Audit

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational presentation for discussion.

BACKGROUND:

Internal Audit creates an annual plan listing audit activities. The 2025 Internal Audit Plan was approved by the Audit Committee on March 10, 2025. Internal Audit reports on the status of activities listed on the Plan at each Audit Committee meeting.

DISCUSSION:

Internal Audit will report on the status of projects from the 2025 Internal Audit Plan. Special attention will be given to the status of an outsourced audit of Bus Safety and an outsourced Construction Audit.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Not applicable



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

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

TITLE:

Open Audit Recommendations Report - December 2025

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational presentation for discussion.

BACKGROUND:

The Open Audit Recommendation Report tracks outstanding issues and recommendations from prior internal audit reports and provides the status of those issues. The Enterprise Risk Management Administrator (ERMA) assists management with action plans to address recommendations and monitors progress. When an action plan is complete, the ERMA requests a follow-up review from the Internal Audit department. Internal Audit closes an issue when the action plan is completed, if an issue is no longer relevant, or if management chooses to accept the risk and not perform any action. Internal Audit reports the resolution of each issue to the Audit Committee.

DISCUSSION:

Internal Audit will discuss activity around outstanding issues since the last report at the Audit Committee meeting on September 22, 2025.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Open Audit Recommendation Report December 2025 Public Copy Redacted



INTERNAL AUDIT

Open Audit Recommendation Report

November 18, 2025

This record contains information that is classified as Protected pursuant to Utah Code 63G-2-305(12) and 63G-2-305(27). Such information is also controlled under 49 CFR parts 15 and 1520. This record may not be released without appropriate authorization from a UTA records officer. This information has been redacted for public release.

Table of Contents

Executive Summary	3
Appendix A: Overview Status of Open Recommendations	4
Appendix B: Detail Status of Open Recommendations	5
Appendix C: Issues Closed Since Last Report	24

Rating Matrix

Descriptor	Guide
High	Matters considered being fundamental to the maintenance of internal control or good corporate governance.
Medium	Matters considered being important to the maintenance of internal control or good corporate governance.
Low	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.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Chief Board Strategy and Governance		*	*
Executive Director		*	*
Chief of Staff Executive Director		*	*
Chief Enterprise Strategy Officer		*	*
Enterprise Risk Management Administrator	*	*	*

¹For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit action plan.

Executive Summary

Background

The Utah Transit Authority (“UTA”) Audit Committee directs Internal Audit (IA) to perform audit engagements over the controls, processes, and systems of UTA. IA publishes recommendations to address deficiencies or improve performance of the audited area. The Enterprise Risk Management department (ERM) works with management once a recommendation is issued to create action plans or to document disagreement with the recommendations. ERM monitors action plan progress, facilitates changes to the action plan, and alerts IA when action plans are ready to be audited, referred to as “follow-up”.

Objectives and Scope

IA produces an updated edition of this report for each Audit Committee meeting to inform that body of the status of open recommendations (Appendix A and Appendix B) and to document recommendations that have been closed (Appendix C) since the last edition of the report. IA published this edition for the December 15, 2025, Audit Committee to document follow-up activities since the Audit Committee meeting that was held on September 22, 2025.

Executive Summary

Management has made significant progress on open issues since the last Audit Committee meeting. 12 open issues were addressed and are now closed, see Appendix C for details. Especially noteworthy are issues closed from a 2022 audit on UTA’s Support Fleet. That team continues to show growth towards a robust control environment. The Procurement team addressed an issue from a 2024 audit by routing conflict-of-interest forms to the Ethics Officer for review. This is a strong practice that will ensure collaboration between the Procurement department and Ethics Committee on important ethical issues that may arise in procurements.

Additionally, as of publishing this report two open issues are submitted for change and management is gathering evidence for two other issues. Executive level management has recently taken a more active role in managing issues and working with their departments to address them. This focus accounts for the notable momentum reflected in this report. They have empowered ERM to act as their liaison between IA. This has improved efficiency and effectiveness and provides management with a resource to responsibly address their open issues.

Appendix A: Overview Status of Open Issues

Engagement Name	Issue Name	Current Status	Risk Level	Due date
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-03 Project Management Policy	Open	High	03/31/2026
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-04 Budget Monitoring	Open	Medium	03/31/2026
21-02 Preliminary Assessment: Utilities Management	R-21-02-04 Standard Operating Procedures	Open	Medium	03/31/2026
21-03 Preliminary Assessment of Maintenance of Way Systems	R-21-01 Training Development Resources	Open	High	03/31/2026
21-04 Bus Operations and Safety Preliminary Assessment	R-21-03 External Announcements	Submitted to IA for Change	Medium	03/31/2026
21-04 Bus Operations and Safety Preliminary Assessment	R-21-04 Securement Training	Open	Medium	03/31/2026
21-04 Bus Operations and Safety Preliminary Assessment	R-21-05 Standard Operating Procedures Updates	Open	Medium	03/31/2026
21-06 Preliminary Assessment of Fuel Costs	R-21-06-06 Pre- and Post-Fueling Checklists	Open	Medium	03/31/2026
21-06 Preliminary Assessment of Fuel Costs	R-21-06-08 Fuel Access	Submitted to IA for Change	High	12/31/2025
22-02 Preliminary Assessment of Light Rail Operations	R-22-03 Standard Operating Procedure Updates LR	Open	Low	03/31/2026
22-06 Performance Audit of Support Fleet	R-22-06-2 Support Fleet Policies and Procedures	Open	Medium	03/31/2026
22-06 Performance Audit of Support Fleet	R-22-06-3 Opportunities to Right-Size the Support Fleet	Open	High	03/31/2026
23-02 Preliminary Assessment of the Vehicle Disposal Process	R-23-02-1 Board Approval Over \$200k	Open	Medium	03/31/2026
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-1 Required 1099 Forms were not issued	Open	Medium	12/31/2025
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-2 Claims vendors, physicians and attorneys were not sent a 1099	Open	Medium	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-1 Safety and Security Procedures	Open	Low	03/31/2026
23-05 Limited Scope Assessment of the Vendor Master File	R-23-05-01 Vendor Master File Process Issue	Open	Medium	12/31/2025
23-11 Recruitment Assessment	R-23-11-B Standard Operating Procedures Recruitment	Open	High	03/31/2026
23-11 Recruitment Assessment	R-23-11-C Key Performance Indicators	Open	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-E Leadership Strategy Sessions	Open	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-G Process Expectations	Gathering Evidence	Medium	03/31/2026
23-11 Recruitment Assessment	R-23-11-J Recruiter Training	Gathering Evidence	Medium	03/31/2026
24-06 Preliminary Assessment of Payroll Process	R-24-06-01 Vacation Sell-back exceeded policy	Open	Low	03/31/2026
25-03 Purchase Card Program Audit	R-25-03-01 Transaction Approval [REDACTED]	Open	Medium	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-02 Open P-Card Account for a Former Employee	Open	Medium	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-03 Approvers [REDACTED]	Open	High	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-04 Online Purchases [REDACTED]	Open	Medium	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-05 Cardholders & Approvers did not complete the required training	Open	Low	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-06 Training for transaction approvers does not exist	Open	Low	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-07 P-Cards have been used to purchase individual meals	Open	Low	09/22/2026
25-03 Purchase Card Program Audit	R-25-03-08 Purchase transactions lack detailed information required by policy	Open	Low	09/22/2026
25-05 Special Services Operations Audit	R-25-05-01 Standard Operating Procedures Need Reviewed	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-02 Job Description Documents Need Reviewed	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-03 Scheduling Call Time Goals	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-04 Scheduling Process Formalization	Open	Low	06/25/2026
25-05 Special Services Operations Audit	R-25-05-05 Employee Licensing Records	Open	Low	06/25/2026
25-10 Mount Ogden Bus Maintenance Audit	R-25-10-01 Standard Operating Procedures Need Reviewed	Open	Low	06/16/2026
25-10 Mount Ogden Bus Maintenance Audit	R-25-10-02 Job Description Documents Need Reviewed	Open	Low	06/16/2026

Appendix B: Detail Status of Open Issues

Note: This document standardized formatting and corrected clerical errors from original reports.

A. 20-07 Preliminary Assessment of the Capital Projects Process

Recommendation R-20-07-03 Project Management Policy

Risk Level: High

Audit Committee Report Date: April 19, 2021

Current Status: Open

Recommendation:

- IA recommends that agency standard operating procedures be developed to establish practices of project management applicable to all departments. Guidance should be based on an existing standard, such as the Project Management Book of Knowledge or FTA project requirements, and should cover topics including, but not limited to, developing project budgets, tracking, reporting project costs and project progress, contractor oversight, and quality assurance.

Current Status from Internal Audit:

Management submitted a change to the action plan because the control environment has changed significantly and will continue to change significantly. However, the principles of this issue still apply, and management will work towards a solution tailored to the new environment. IA agrees with this approach.

Current Management Status Update:

This control environment continues to evolve. Management is committed to designing controls that meet the principles of this issue. A more detailed action plan will be submitted when drafted.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

3/31/2026

Recommendation R-20-07-04 Budget Monitoring

Risk Level: Medium

Audit Committee Report Date: April 19, 2021

Current Status: Open

Recommendation:

- IA recommends that entity level oversight be established with the following practices:
 - Require project managers to submit regularly scheduled and standardized project financial reports, including expenditure tracking, comparison to budget, and an up-to-date schedule of anticipated cash flow.
 - Regular monitoring of budget to actual expenditures should be conducted by Executive leadership with follow-up on variances conducted.

Current Status from Internal Audit:

Management submitted a change to the action plan because the control environment has changed significantly and will continue to change significantly. However, the principles of this issue still apply,

and management will work towards a solution tailored to the new environment. IA agrees with this approach.

Current Management Status Update:

This control environment continues to evolve. Management is committed to designing controls that meet the principles of this issue. A more detailed action plan will be submitted when drafted.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

3/31/2026

B. 21-03 Preliminary Assessment of Maintenance of Way Systems

Recommendation R-21-01 Training Development Resources

Risk Level: High

Audit Committee Report Date: June 21, 2021

Current Status: Open

Recommendation:

- Develop a project plan to include realistic timelines and necessary resources to implement the program timely.
- Identify “off the shelf” training materials and videos that can be purchased to reduce the development time.
- Incorporate as part of the program training classes that may be already developed and available through other sources such as other transit agencies, system manufacturers, and commercial rail carriers.
- Budget for and add sufficient resources to develop the apprenticeship program.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management has established an FRA Compliance Committee composed of senior leaders all from all departments that are regulated and interface with the FRA and State Safety Oversight, including MOW. The committee is working with a consultant to help conduct a gap analysis and provide recommendations for FRA compliance across functions, with a primary focus on MOW training. Management has completed a Scope of Work and are currently in the procurement process. The project will take approximately four months from notice to proceed as outlined below:

- Task 1 – Project Management (four months)
- Task 2 – Discovery and Gap Analysis (two weeks)
- Task 3 – Implementation strategies (four weeks)
- Task 4 – Training, Staff Development, and Final Report (four weeks)

Issue Owner:

Chief Operations Officer

Current Due Date:

3/31/2026

C. 21-02 Preliminary Assessment: Utilities Management

Recommendation R-21-02-04 Standard Operating Procedures

Risk Level: Medium

Audit Committee Report Date: October 17, 2022

Current Status: Open

Recommendation:

- Drafted SOPs should be finalized and adopted.
- The FUPA should coordinate with the Accounting department to properly align the new SOP with existing policies and procedures.
- The process of verifying and organizing accounts and reviewing rate schedules should be codified in the final draft.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Facilities has completed a first draft of a new Utilities Management Standard Operating Procedure.

Issue Owner:

Chief Operations Officer

Current Due Date:

3/31/2026

D. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-03 External Announcements

Risk Level: Medium

Audit Committee Report Date: August 23, 2021

Current Status: Submitted for Change

Recommendation:

- Fully automated and high audio quality external speakers should be installed on buses.
 - As a preliminary step to implementation, Management should research options, feasibility, and cost.
- Audio quality of existing speakers should be regularly inspected and adjusted as necessary.
- An interim alternative would be to require the use of outside speakers at least on the routes that are most likely to need them.

Current Status from Internal Audit:

Management submitted the required form to accept the risk. IA requested documentation of statements made by management to justify that decision.

Current Management Status Update:

Management has completed speaker installation on the highest-need vehicles and is accepting the risk until installation is complete.

Issue Owner:

Chief Operations Officer

Current Due Date:

3/31/2026

Recommendation R-21-04 Securement Training**Risk Level: Medium****Audit Committee Report Date: August 23, 2021****Current Status: Open****Recommendation:**

- Require refresher training on the requirement to secure passengers. The refresher training can be incorporated as part of annual sensitivity training. Retrain specific operators following securement complaints or accidents as appropriate to the nature of the complaint or accident.

Current Status from Internal Audit:

No update.

Current Management Status Update:

The Civil Rights department is working with the Communications department to roll out this training as part of the annual sensitivity training.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

Recommendation R-21-05 Standard Operating Procedure Updates**Risk Level: Low****Audit Committee Report Date: August 23, 2021****Current Status: Open****Recommendation:**

BO 1.09, "Serving Customers with Disabilities" should be updated with the following changes:

- Align definition of service animals with UTA policy 6.1.1.
- Align Personal Care Attendant language with recent fare policy changes.
- Include a section discussing appropriate language when talking to/about people with disabilities.
- Expand the description of situations where service might be denied to include instances where customers are denied priority seating. These instances should be reported to TCC.
- The SOP should require that TCC provide monthly reports to the ADA Compliance Officer of call-ins related to service denials.
- SOP ownership should be collaborative with the ADA Compliance Officer.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is engaging with the current Fares Policy update process to ensure Operations SOP alignment.

Issue Owner:

Chief Operations Officer

Current Due Date:
3/31/2026

E. 21-06 Preliminary Assessment of Fuel Costs

Recommendation R-21-06-06 Pre- and Post-Fueling Checklists*

Risk Level: Medium

Audit Committee Report Date: November 15, 2021

Current Status: Open

**Original recommendation did not have a title*

Recommendation:

- Management should complete the drafted corrective action plan. [Management had previously identified the issue and created a corrective action plan].

Current Status from Internal Audit:

No update.

Current Management Status Update:

A new Fuel and Fluid Delivery and Unloading Work Instruction has been signed in DocuSign. Management is posting and communicating it to employees.

Issue Owner:

Chief Operations Officer

Current Due Date:

3/31/2026

Recommendation R-21-06-08 Fuel Access*

Risk Level: High

Audit Committee Report Date: November 15, 2021

Current Status: Submitted for Change

**Original recommendation did not have a title*

Recommendation:

- Existing badge data should be cleaned and standardized. This cleanup could include:
- Ensure that names match human resource records.
- Ensure an employee's department matches human resource records.
- Deactivate unneeded duplicate entries.
- a. Deactivate "dummy accounts."

Current Status from Internal Audit:

Management submitted to close this issue as risk accepted. IA requested documentation of statements made by management to justify that decision.

Current Management Status Update:

No response needed as its current status is "submitted for change".

Issue Owner:*Not applicable.***Current Due Date:***Not applicable.***F. 22-02 Preliminary Assessment of Light Rail Operations****Recommendation R-22-03 Standard Operating Procedure Updates****Risk Level: Low****Audit Committee Report Date: October 17, 2022****Current Status: Open****Recommendation:**

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

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management has reconciled the Standard Operating Procedures mentioned in the 2022 TRAX Rulebook with the SOPs posted on SharePoint. Some SOPs are currently in draft form as Management completes updates and locates signed copies.

Issue Owner:

Chief Operations Officer

Current Due Date:

3/31/2026

G. 22-06 Performance Audit of Support Fleet**Recommendation R-22-06-2 Support Fleet Policies and Procedures****Risk Level: Medium****Audit Committee Report Date: June 27, 2022****Current Status: Open****Recommendation:**

- We recommend Support Fleet Management develop new policies and procedures to define requirements and necessary steps for each of its key areas of responsibility.
- We recommend Support Fleet Management develop training on the policies and procedures and provide this training to employees responsible for or users of fleet vehicles at least annually.

Current Status from Internal Audit:

Management reported that the remaining open policy is in the final stages of adoption and is expected January 2026. Upon adoption, IA will document the adopted policy and implemented training procedures. We expect the issue will be closed by the March 2026 Audit Committee meeting.

Current Management Status Update:

Management has completed corrective action and anticipates approval of the Non-Revenue Vehicle Fleet Policy in January 2026.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

3/31/2026

Recommendation R-22-06-3 Opportunities to Right-Size the Support Fleet

Risk Level: High

Audit Committee Report Date: June 27, 2022

Current Status: Open

Recommendation:

- We recommend Support Fleet Management use the new geotrackers to pinpoint precisely which vehicles are being underutilized and work to either reassign vehicles where they will be more useful or dispose of them to recapture some residual value.
- We recommend the vehicle purchasing strategy be overhauled to ensure that proper steps are taken to determine if another vehicle within support fleet would be sufficient to meet the needs of the requesting department prior to purchasing a new vehicle.
- We recommend Support Fleet Management require all employees responsible for a support fleet vehicle, especially underutilized ones, to provide written justification for the business need of their vehicles. Based on the justifications, support fleet should make decisions as to which vehicles may be reassigned or slated for disposal.
- We recommend Support Fleet Management review the use of floating fleet vehicles available to be checked out by employees to determine if any could be repurposed or disposed.
- We recommend UTA management review its disposal and auction process to determine if there are ways to streamline sales once vehicles to be disposed of have been identified.
- We recommend UTA's accounting and finance teams determine if there is a more effective way to manage the budget strategy for support fleet vehicles, for instance, using an internal service fund to charge departments for the use of vehicles.

Current Status from Internal Audit:

No update.

Current Management Status Update:

██████████ is implemented on all NRV vehicles and is being used to identify underutilized vehicles. The NRV team has implemented a process requiring owners of underutilized vehicles to submit written rationalizations for maintaining underutilized vehicles to inform NRV fleet right-sizing. This process will be documented by end of quarter 4, 2025. UTA currently has six locations where floating fleet vehicles are being utilized. UTA will review the disposal and auction process.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

3/31/2026

H. 23-02 Preliminary Assessment of the Vehicle Disposal Process

Recommendation R-23-02-1 Board Approval Over \$200k

Risk Level: Medium

Audit Committee Report Date: December 18, 2023

Current Status: Open

Recommendation:

- Capital Assets group should seek approval from the Board for the sale of any vehicles which combined might exceed \$200,000.
 - Alternatively, Capital Assets could provide an annual, or other periodic (such as quarterly), update to the Board regarding planned vehicle sales.
- Capital Assets should incorporate this Board approval process into SOPs.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Ownership of corrective action was moved from Capital Services to Finance in November 2025. Finance is creating a process to flag vehicle disposals over \$250,000 for Board approval.

Issue Owner:

Chief Finance Officer

Current Due Date:

3/31/2026

I. 23-03 Preliminary Assessment of 1099 Reporting

Recommendation R-23-03-1 Required 1099 Forms were not issued

Risk Level: Medium

Audit Committee Report Date: June 24, 2024

Current Status: Open

Recommendation:

- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.
- Additional research should be conducted by the accounting team to identify if other vendors who received payments from UTA should have had a 1099 sent to them.
- Best practices suggest that a business should request an updated W-9 Form every year from contractors.

Current Status from Internal Audit:

IA testing confirmed repeated issues with 1099 compliance for tax year 2024. The issue will remain open until testing confirms accurate 1099 reporting for a tax year.

Current Management Status Update:

A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are drafted to ensure all vendor information is collected to accurately trigger 1099s. They are targeted for implementation by year end.

Issue Owner:

Chief Financial Officer

Current Due Date:
12/31/2025

Recommendation R-23-03-2 Claim vendors, physicians and attorneys were not sent a 1099 Risk Level: *

Audit Committee Report Date: June 24, 2024

Current Status: Open

**Risk level was missed in the original report. It is a medium risk.*

Recommendation:

- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.
- Accounts Payable should require a completed W-9 before issuing any future claims payments.
- Accounts Payable staff should receive training on Form 1099 reporting procedures.
- Accounts Payable or the Accounting Supervisor should maintain an IRS e-news subscription to receive future updates to the Form 1099 reporting process. <https://www.irs.gov/newsroom/e-news-subscriptions>

Current Status from Internal Audit:

IA testing confirmed repeated issues with 1099 compliance for tax year 2024. The issue will remain open until testing confirms accurate 1099 reporting for a tax year.

Current Management Status Update:

An IRS Form W-9 Requirements for Claims Settlement SOP and a new 1099 Processing Checklist have been drafted. They are targeted for implementation by year end.

Issue Owner:

Chief Financial Officer

Current Due Date:
12/31/2025

J. 23-04 Preliminary Assessment Transit Communication Center

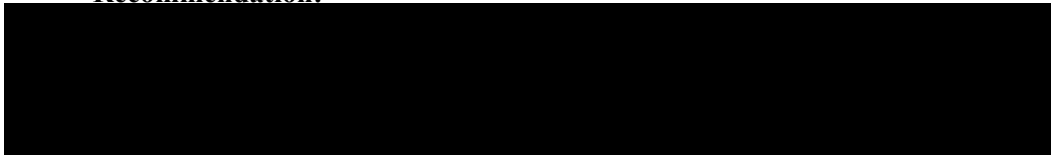
Recommendation R-23-04-1 Safety and Security Procedures

Risk Level: Low

Audit Committee Report Date: March 11, 2024

Current Status: Open

Recommendation:



Current Status from Internal Audit:

No update.

Current Management Status Update:

Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:

Director of Safety and Security

Current Due Date:

3/31/2026

K. 23-05 Limited Scope Assessment of the Vendor Master File

Recommendation R-23-05-01 Vendor Master File Process Issue

Risk Level: Medium

Audit Committee Report Date: October 16, 2023

Current Status: Open

Recommendation:

- A formal process should be developed to validate new vendors.
- Roles and responsibilities between the AP team and Accountants should be clearly defined and documented.
- An IRS TIN match should be performed for new vendors additions.
- Existing data errors should be investigated and resolved.

Current Status from Internal Audit:

IA emailed the Accounts Payable Supervisor on June 17, 2025, with new concerns related to the issue.

[REDACTED] The Accounts Payable Supervisor disagreed with the concern. There has been no communication since.

Current Management Status Update:

A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are drafted to ensure all vendor information is collected to accurately trigger 1099s. The checklist and SOP are targeted for implementation by year end.

Issue Owner:

Chief Finance Officer

Current Due Date:

12/31/2025

L. 23-11 Recruitment Assessment

Recommendation R-23-11-B Standard Operating Procedures

Risk Level: High

Audit Committee Report Date: June 26, 2023

Current Status: Open

Recommendation:

- Update standard operating procedures and include SLAs.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is updating the Talent Acquisition standard operating procedures to align with Workday processes and to reflect the increasing maturity of Service Level Agreements.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

Recommendation R-23-11-C Key Performance Indicators**Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Open**

- Develop and track KPIs to enable data-driven decision making.

Current Status from Internal Audit:

Management provided evidence of adopting key performance indicators (KPI); however, there were readily apparent issues with them that prevented IA from closing the issue. Examples include unclear responsibility for calculating the KPIs, undefined distribution, undefined definitions of acceptable performance, etc. IA invites management to consider what KPIs are tactically needed and implement them with clear and actionable documentation.

Current Management Status Update:

Talent Acquisition has developed Key Performance Indicators (KPIs) and tools to track them. They are working to refine KPI definitions, monitoring, and reporting.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

Recommendation R-23-11-E Leadership Strategy Sessions**Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Open****Recommendation:**

- Conduct Leadership Strategy Sessions to align on priorities for the Talent Acquisition team.

Current Status from Internal Audit:

IA discussed this issue with management. It can be closed when the new leadership team completes the 2026 Strategy One Page.

Current Management Status Update:

Talent Acquisition completed 2024 and 2025 Strategy One Pages and is creating a 2026 Strategy One Page to demonstrate strategic-planning continuity during the current leadership transition.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

Recommendation R-23-11-G Process Expectations**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Communicate expectations with Hiring Managers and other teams on processes and SLAs.

Current Status from Internal Audit:

Management provided evidence of new artifacts to communicate process expectations to hiring managers, most notably a template for a service level agreement (SLA). IA requested completed examples of the SLAs and was waiting for that documentation as of final drafting of this report on 11/17/2025.

Current Management Status Update:

Talent Acquisition has 1) mapped all processes, 2) developed Desk References for Maintenance and Operations hiring, 3) created a Recruitment Request Form, and 4) documented Service Level Agreements (SLAs). They are gathering evidence that SLAs are tracked and monitored.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

Recommendation R-23-11-J Recruiter Training**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Gathering Evidence****Recommendation:**

- Provide standardized onboarding and ongoing development training to Recruiters

Current Status from Internal Audit:

No update.

Current Management Status Update:

Talent Acquisition is gathering evidence of standardized onboarding and recruiter development.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

M. 24-06 Preliminary Assessment of Payroll Process

Recommendation R-24-06-01 Vacation Sell-back exceeded policy

Risk Level: Low

Audit Committee Report Date: September 23, 2024

Current Status: Open

Recommendation:

- Management should work with the Total Rewards department to educate supervisors on vacation sell-back policy and procedure.
- We recommend that Management develop a form or memo required for all employees requesting vacation sell-back that verifies that all eligibility requirements are met before the sell-back is processed.
- We recommend that Management monitors the vacation sellback entries to detect any future occurrences of the error.
- We recommend that Management not attempt to claw-back past errors.

Current Status from Internal Audit:

IA testing of vacation sell-back showed no issues. Management is developing monitoring controls within Workday. The issue can be closed once Workday is implemented and evidence is provided that the monitoring is working.

Current Management Status Update:

Management is implementing an audit in Workday to control vacation sell-back that exceeds policy. Once implementation is complete, Management will monitor the audit for accuracy and enhance the process as needed.

Issue Owner:

Chief Finance Officer

Current Due Date:

3/31/2026

N. 25-03 Purchase Card Program Audit

Recommendation 25-03-01 Transaction Approval [REDACTED]

Risk Level: Medium

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

1. Implement automated alerts or periodic reviews [REDACTED]
2. Establish role-based approval rules within the P-Card system, [REDACTED]
[REDACTED]
3. [REDACTED]
[REDACTED]
4. Perform a full access review of all current approvers and cardholders to validate [REDACTED]
[REDACTED]

5. Update P-Card training materials to include explicit instruction on approval routing requirements and restrictions.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-02 Open P-Card Account for a former employee

Risk Level: Medium

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

1. Management should coordinate with the People Office to ensure the offboarding checklist includes a step to notify the P-Card Administrator upon any employee termination or transfer.
2. Management should consider working with the People Office to automate notifications through the HR system to immediately flag personnel changes that require card deactivation.
3. The P-Card Administrator should periodically reconcile or create a tracking mechanism to ensure all active cardholders are current employees.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is reconciling all active employees against existing cardholder accounts. They are also implementing a quarterly review process comparing active employees with open U.S. Bank accounts to confirm that all necessary steps are completed and accounts are properly deactivated.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-03

Risk Level: High

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Current Status from Internal Audit:

No update.

Current Management Status Update:

Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-04 [REDACTED]

Risk Level: Medium

Audit Committee Report Date: September 22, 2025

Current Status: Open

[REDACTED]

Recommendation:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Current Status from Internal Audit:

No update.

Current Management Status Update:

Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-05 P-Card Training**Risk Level: Low****Audit Committee Report Date: September 22, 2025****Current Status: Open**

**Original title was "Cardholders & Approvers did not complete the required training".*

Recommendation:

1. Update policies and SOPs to clearly mandate annual training for all cardholders and approvers.
2. Identify cardholders and approvers who have not completed training in the past year and require completion.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management has obtained a list of all cardholders who have not completed their annual training from the LMS Technical Coordinator. These individuals have been notified by email and given 30 days to complete the requirement. Cardholders who do not comply within that timeframe will have their P-Cards deactivated. The annual training requirement is automated in LMS and assigned to every cardholder. Moving forward, the P-Card SOP will be updated to state that failure to complete annual training by the due date will result in deactivation. Additionally, Management will implement a monthly review of LMS training records to ensure compliance and promptly deactivate cards for any cardholders who have not met the requirement.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-06 Training for transaction approvers does not exist**Risk Level: Low****Audit Committee Report Date: September 22, 2025****Current Status: Open****Recommendation:**

1. Develop and deploy a targeted training module for transaction approvers. This training should cover review responsibilities, documentation requirements, and policy compliance.
2. Integrate training compliance tracking into the learning management system (LMS) and establish triggers to notify Finance or Program Administrators when an approver lacks required training.
3. Require periodic refresher training for all transaction approvers, regardless of P-Card holder status.
4. Review and update internal policies to reflect the need for distinct training requirements for different user roles within the P-Card system.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is collaborating with the Corporate Instructional Designer to develop formal training for approvers, ensuring they have a clear and consistent understanding of their responsibilities in the P-Card process. This training will be assigned to all approvers through the LMS, with completion tracked for accountability. In addition, an annual refresher training requirement will be established, and both the initial and refresher training requirements will be incorporated into the P-Card SOP to reinforce compliance and maintain consistency across the program.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-07 P-Cards have been used to purchase individual meals

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

1. Reinforce meal policy requirements through targeted refresher training for all P-Card holders and transaction approvers, emphasizing documentation expectations for meals.
2. Strengthen documentation guidance by providing a template for meal purchase descriptions that includes fields for attendees, purpose, and justification.
3. Update the approval process to include a mandatory checklist for business meal purchases that requires confirming the number of attendees, meeting purpose, and exclusion of unauthorized items.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is developing a mandatory checklist template to document required information for meal purchases. While the U.S. Bank system has limited customization capabilities and cannot accommodate an embedded template or checklist, Management is creating an offline template to be attached to transactions in US Bank. Monitoring and verification of compliance will therefore be conducted manually. Management will adopt Internal Audit's "potential" single meal identification method and incorporate it into the Administrator's monthly close process and will send a reminder email to all cardholders reinforcing this policy. In addition, cardholder and approver LMS training will be updated to emphasize requirements related to food purchases.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

**Original title was "Purchase transactions lack detailed information required by policy".*

Recommendation:

1. Update training materials and procedures to emphasize the importance of complete descriptions, supporting documentation, and timely approvals.
2. Enforce system validation rules that require detailed descriptions, receipt uploads, and selection of an approver before a transaction can be submitted for review.
3. Develop automated reminders and escalation protocols for reconcilers and approvers who fail to complete tasks within the 8-day reconciliation window.
4. Implement periodic compliance audits to identify users with repeat deficiencies and refer issues to department leadership for follow-up.
5. Restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is updating the P-Card SOP, training materials, and Approver training to emphasize the importance of entering complete purchase descriptions, attaching supporting documentation, and ensuring timely approvals during the reconciliation process. To strengthen compliance, Management has worked with U.S. Bank to remove the system's auto-population of cost center numbers in the description field, ensuring that users must now enter a proper purchase description. Management will work with U.S. Bank where possible to activate automated reminders and escalation protocols for reconcilers and approvers who do not complete their tasks within the eight-day reconciliation window. These reminders will be applied consistently across all cardholder accounts. The P-Card SOP already specifies that accounts not reconciled or approved for two consecutive months will be deactivated, with reactivation requiring CFO approval. We will continue to enforce this policy and, where necessary, restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining. Finally, we will continue conducting periodic compliance audits to identify repeat deficiencies. Any issues identified will be referred to department leadership for follow-up and corrective action.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

O. 25-05 Special Services Operations Audit

Recommendation 25-05-01 Standard Operating Procedures Need Reviewed

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

Operations management should work with the Safety Department and to review safety-related SOPs and make necessary updates.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management has established a Standard Operating Procedures working group that is finalizing draft edits of SOPs.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-02 Job Description Documents Need Reviewed

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Special Services managers have been assigned to review job descriptions for their areas of responsibility. Reviews are in progress.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-03 Scheduling Call Time Goals**Risk Level: Low****Audit Committee Report Date: September 22, 2025****Current Status: Open****Recommendation:**

IA recommends that management reevaluate scheduling staffing needs to assess if increased staff would shorten average call hold times.

IA recommends that management reevaluate scheduling call time goals. If maintaining the current goal of fielding all calls under two minutes is determined to be practicable, IA recommends that Management provide targeted training and oversight to reduce call times.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management has hired three new staff members and is repurposing an existing role to create a supervisor role in Quality and Assurance. Management also is reviewing hold time metrics to ensure they are accurate and will collect and monitor data to verify performance levels.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-04 Scheduling Process Formalization**Risk Level: Low****Audit Committee Report Date: September 22, 2025****Current Status: Open****Recommendation:**

IA recommends that after the successful implementation of Workforce Management that the updated scheduling process be formalized as a Standard Operation Procedure.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is creating a standard operating procedure that documents the process of completing Paratransit next-day trip assignments with driver assignments.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-05 Employee Licensing Records**Risk Level: Low****Audit Committee Report Date: September 22, 2025****Current Status: Open****Recommendation:**

IA recommends that records of CDL licensure of employees driving revenue vehicles is maintained in a manner where business units can reconcile which employees are coming up on their five-year CDL license expiration date.

Current Status from Internal Audit:

No update.

Current Management Status Update:

The People Office is leading a group of Operations service unit SMEs in creating an Agency SOP and implementing a new process for Operations service unit SMEs to have access to systems and/or reports that enable them to regularly validate that all employees are entered into the UDOT system, monitor upcoming license expirations, and proactively notify employees of upcoming expirations.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

P. 25-10 Mount Ogden Bus Maintenance Audit**Recommendation R-25-10-01 Standard Operating Procedures Need Reviewed****Risk Level: Low****Audit Committee Report Date: June 16, 2025****Current Status: Open****Recommendation:**

- Operations management should work with the Safety Department to review safety-related SOPs and make necessary updates.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is in the process of establishing a new quality management function that will guide and support systematic review, revision, and control of documented procedures within operations, maintenance, and public safety. This work includes the deployment of a quality management system designed to elevate procedures, strengthen compliance, and proactively identify/mitigate operational risks.

Action Plan:

- Review the related procedures in collaboration with the Safety Department.
- Prioritize procedures based on regulatory urgency, operational impact, and risk.

- Implement a recurring review schedule aligned with UTA policy and industry standards.
- Deploy a quality management system to support document control and compliance tracking.

Issue Owner:

Chief Operations Officer

Current Due Date:

June 16, 2026

Recommendation R-25-10-02 Job Description Documents Need Reviewed

Risk Level: Low

Audit Committee Report Date: June 16, 2025

Current Status: Open

Recommendation:

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Current Status from Internal Audit:

No update.

Current Management Status Update:

Management is initiating a phased effort to update maintenance-related job descriptions, beginning with non-union positions to ensure alignment across modes and consistency in job expectations. Union-represented job descriptions will follow, recognizing that additional coordination with labor partners may be required. This review will ensure essential duties are well-defined, minimum qualifications are accurate, and descriptions reflect the current needs and expectations of each role.

Action Plan:

- Review and update non-union maintenance job descriptions in collaboration with the People Office.
- Coordinate with the People Office to review and update union-represented job descriptions.
- Ensure all updated job descriptions include minimum experience requirements and detailed essential duties.
- Establish a formal review cycle for job descriptions going forward.

Issue Owner:

Chief Operations Officer

Current Due Date:

June 16, 2026

Appendix C: Issues Closed Since Last Report

A. 20-07 Preliminary Assessment of the Capital Projects Process

Recommendation R-20-07-01 A Project Requests

Risk Level: Medium

Audit Committee Report Date: April 19, 2021

Current Status: Closed

Recommendation:

- IA recommends that Capital Development require detailed budget estimates with project requests. Budget estimates should include evidence of a secondary review, such as an independent cost estimate or a reasonableness review performed by the requesting department management.
- IA recommends that Capital Development require basic project timetables when submitting project requests.

Current Status from Internal Audit:

Management has addressed the audit recommendation by implementing a new capital projects request form that requires submitters to have capital and operating budget estimates for project proposals. Additionally, the form requires screening by the chief officer of the requesting department to vet the realism of the proposed costs.

B. 22-06 Performance Audit of Support Fleet

Recommendation R-22-06-1 Support Fleet Governance and Resources

Risk Level: High

Audit Committee Report Date: June 27, 2022

Current Status: Closed

Recommendation:

- Provide the Support Fleet Management with additional resources subject to budgetary constraints and additional needs analysis of the department.
- Develop and implement new policies and procedures that grant authority to the FVA to oversee, provide training, and enforce matters related to UTA's support fleet.

Current Status from Internal Audit:

Management is adequately resourced for present needs.

Recommendation R-22-06-5 Vehicle Use Thresholds*

Risk Level: High

Audit Committee Report Date: December 16, 2024

Current Status: Closed

**Original title was: Management should create clear use thresholds to govern vehicle use*

Recommendation:

- Management should establish thresholds to evaluate vehicle utilization.
 - The thresholds should be objective.
 - The thresholds should be measurable.
 - Expected outcomes should be clearly defined and associated to thresholds.
- Management should develop an accompanying policy to address vehicle user's appeals and unusual circumstances that may make deviations from expected outcomes appropriate.

Current Status from Internal Audit:

Management addressed this issue by implementing clearly defined and measurable use thresholds in the Non-Revenue Vehicle Fleet Management Plan. They also adopted a standard operating procedure that outlines a process for vehicle users to receive an exception to this threshold.

Recommendation R-22-06-6 Access to Purchase Card System***Risk Level: Medium****Audit Committee Report Date: December 16, 2024****Current Status: Closed**

**Original title was: Management should grant read-only access to the US Bank Purchase Card System.*

Recommendation:

- Procurement Management should grant read-only access to US Bank the NRV team to run detailed reports and download receipts.

Current Status from Internal Audit:

Support Fleet management has access to the US Bank system to run reports and retrieve receipts.

C. 23-04 Preliminary Assessment of the Transit Communication Center**Recommendation R-23-04-2 TCC Staffing****Risk Level: Medium****Audit Committee Report Date: March 11, 2024****Current Status: Closed****Recommendation:**

- IA recommends that TCC management evaluate current headcount levels for sufficient coverage.
 - According to the cited APCO standards four additional headcount would be needed to fill TCC's coverage need for dispatchers.
 - Based on the overtime statistics provided, four FTE may not be necessary. Management should independently determine TCC needs.

Current Status from Internal Audit:

Management accepted the risk. They are restructuring the dispatch centers in favor of adding additional headcount.

D. 23-11 Recruitment Assessment**Recommendation R-23-11-A Human Resources Information System****Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Proceed with the new HRIS and ensure thoughtful consideration of design and implementation.

Current Status from Internal Audit:

Management has procured a new Human Resource system, has procured training on the new system, and has formal plans for an orderly implementation.

Recommendation R-23-11-D Talent Acquisition Team Structure**Risk Level: High****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Proceed with new Talent Acquisition team structure and increase headcount to support with data entry.

Current Status from Internal Audit:

Management has changed the structure of the Talent Acquisition team by adding a supervisor position. Additionally, there is currently an additional specialist position from the 2023 roster reviewed.

Recommendation R-23-11-F Jobvite Validation Rules**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Investigate data validation rules and optimize features in Jobvite.

Current Status from Internal Audit:

The Jobvite software is being phased out in favor of Workday. The recommendation is no longer applicable, and the issue was administratively closed by IA.

Recommendation R-23-11-H Talent Acquisition Team Communication**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Build structure into Talent Acquisition team communication cadence.

Current Status from Internal Audit:

The Talent Acquisition team has various huddles and team meetings at a regular cadence. Huddles are scheduled twice a week, team meetings are once a month, and supervisor/recruiter meetings are once a month.

Recommendation R-23-11-I Immediate Process Improvements**Risk Level: Medium****Audit Committee Report Date: June 26, 2023****Current Status: Closed****Recommendation:**

- Adopt immediate, tactical process improvements to the hiring process to generate 'quick wins'

Current Status from Internal Audit:

Management set strategic initiatives for 2025. Notable examples include, "Complete Huddle 2x. week" and "Deploy Hiring Manager and New Hire Surveys". This is evidence that management has a culture of continuous improvement.

The issue can be closed. The recommendation, written by a third party, is vague. It is difficult to audit against adopting "quick wins" when the third-party auditor did not define what a quick win would be. The issue can be closed on the basis that management has a culture of continuous improvement.

E. 24-01 Procurement Process Performance Audit

Recommendation R-24-01-01 Disclosures to UTA Ethics Officer*	Risk Level: Medium
Audit Committee Report Date: December 16, 2024	Current Status: Closed

**Original recommendation title: Conflict of Interest Disclosures to UTA Ethics Officer.*

Recommendation:

- Procurement department employees should report any conflicts of interest discovered in a procurement requisition to the UTA Ethics Officer.

Current Status from Internal Audit:

Management addressed this recommendation by changing the form used in procurements when a potential conflict-of-interest is identified. The form now requires an additional review and signature of the Ethics Officer.

Recommendation R-24-01-02 Procurement Department is Under-resourced	Risk Level: High
Audit Committee Report Date: December 16, 2024	Current Status: Closed

Recommendation:

- The Procurement department's 2026 budget should include headcount increases to convert the two outsourced consultant positions to full-time employees.
- Management should formally study the Procurement department's resource needs ahead of planning for the 2026 budgets and allocated resources as appropriate to the findings of the study.

Current Status from Internal Audit:

Management addressed this recommendation by converting a contractor position to a full-time employee position. Management will evaluate key performance indicators to determine if the second consultant position should also be converted to a full-time employee position.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Mike Hurst, Director Internal Audit
PRESENTER(S): Mike Hurst, Director Internal Audit
Johanna Goss, Senior Internal Auditor
Patti Garver, Manager Environmental Compliance and Sustainability

TITLE:

Environmental Governance Audit (25-01)

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion.

BACKGROUND:

The 2025 Internal Audit Plan, approved by the Audit Committee on March 10, 2025, included an audit of the governance of UTA's Department of Environmental Sustainability and Projects. This team manages regular compliance with federal, state, and local environmental laws to ensure UTA is an environmentally sustainable and conscience organization. The team is also responsible for conducting project-based environmental reviews to support the development of UTA infrastructure. The audit topics included risk management and an in-depth evaluation of the team's governance.

DISCUSSION:

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

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

- Environmental Governance Audit Report (25-01)



Environmental Governance Audit

25-01

November 7, 2025

Table of Contents

Executive Summary	3
Attachment A: Detail of Recommendations	5

Rating Matrix

Descriptor	Guide
High	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.
Medium	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.
Low	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 ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Acting Chief Capital Services Officer		*	*
Manager Environmental Compliance and Sustainability	*	*	*

¹For 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 Utah Transit Authority (UTA) Audit Committee directed the Internal Audit department (IA) to conduct a governance audit over UTA’s Environmental Sustainability. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025.

Background and Overview

Governance over UTA’s environmental sustainability is directed by the Department of Environmental Sustainability and Projects (DESP) team under the leadership of the Capital Services office. The DESP team manages regular compliance with federal, state, and local environmental laws to ensure UTA is an environmentally sustainable and conscience organization. The team is also responsible for conducting project-based environmental reviews to support the development of UTA infrastructure.

Objectives and Scope

IA based the audit objectives and scope on the results of planning procedures that included discussions with management and assessments of risk and fraud risk. The topics for the audit were:

1. Governance
IA reviewed internal policies, standards of procedure, and job description documents. Additionally, IA documented high priority tasks performed by the DESP team and reviewed task documentation within current governing documents. The high priority tasks reviewed were Industrial Waste, National Environmental Policy Act (NEPA) compliance, Spill Prevention Control and Countermeasures Plans (SPCC), Sustainability, and Stormwater Pollution Prevention Plans (SWPPP).
2. Risk Management
IA verified management’s participation in training and surveys from the Enterprise Risk Management department.

IA set the audit period as January 1, 2024, through July 31, 2025.

Executive Summary

1. Governance

IA reviewed the high priority tasks performed by the Department of Environmental Sustainability and Projects (DESP) and any reference to those tasks in department policies, relevant standard operating procedures (SOP) and job descriptions of the DESP team.

We determined if these high priority tasks are formally documented in UTA governance and identified how recently management has updated all governing documents.

The policy governing UTA’s environmental sustainability is not formally established but is currently under review. Currently, documentation of the high priority tasks is not fully established in department policy or formalized in standardized operating procedures. IA recommends that management create a policy that outlines roles and responsibilities and SOPs that outline detailed procedures related to the high priority tasks.

IA reviewed the job description documents for all DESP team positions. Job descriptions exist for all the key positions; however, not all high priority tasks are described in the corresponding job description. Three of the six job descriptions have not been updated within the past five years. IA recommends that job description documents be reviewed to fully document high priority tasks.

Table 1. Current Status of Governance over High Priority Tasks

High Priority Task	Documented in Policy	Documented in SOP	Documented in Job Description
Industrial Wastewater	X	X	X
NEPA Compliance	X	X	✓
SPCC	X	X	X
Sustainability	✓	X	✓
SWPPP	X	X	X

Red X marks indicate that the high-priority task is not sufficiently described in the governance document. Green check indicates that it is.

2. Risk Management

IA confirmed that management has participated in all expected risk management activities with the Enterprise Risk Management department, including the completion of training and risk surveys.

Attachment A: Detail of Recommendations

Finding 25-01-01 Develop and adopt DESP Policy

Risk Level: Medium

Criteria

UTA Board of Trustees Policy No. 1.1 “Process for Establishing Board Policies”, II.D.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 a revision schedule adopted by the Board by resolution.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 3 states,

Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.

The Points of Focus for Principle 3 further states,

Management designs and evaluates lines of reporting for each entity structure to enable execution of authorities and responsibilities and flow of information to manage the activities of the entity.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 12 states,

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

The Points of Focus for Principle 12 further states,

Management establishes control activities that are built into business processes and employees' day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.

Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.

Condition

DESP team lacks a clear policy to establish governance over the high-priority tasks. They are drafting a policy, but it has not yet been formally adopted. Sustainability is the only high priority task documented within existing or drafted policy; however, it is insufficient in describing standards and is not part of a singular policy where all high-priority tasks of the DESP team are documented to establish governance.

Cause

Not applicable.

Effect

- A lack of policy may cause uncertainty in department responsibilities and expectations.
- Unclear department responsibilities can lead to unfulfilled obligations either through scheduling or judgement errors, leading to practical drift from standards and increasing the risk of error.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of developed governing documents.
- Internal use and understanding of environmental standards may differ among business units without a clear and formalized policy.
- Teams without clear internal governance documents may lack authority to ensure organizational compliance.

Recommendation

1. IA recommends that management work with UTA's Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in policy, SOP, and job descriptions.
2. IA recommends that management develop and adopt a singular policy that specifically documents the DESP team's regulatory oversight, authority, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives with sufficient detail over the following high priority tasks:
 - A. SPCC plan development and compliance activities for required facilities.
 - i. Description of what is included in an SPCC plan.
 - ii. Description of activities relating to the SPCC such as:

- Petroleum Storage Tank (PST) testing and registration
 - PST inspections of aboveground and underground tanks
 - Collection of Auto Tank Gauging records
 - iii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iv. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - v. Documenting standards regulating all outputs.
- B. SWPP plan development and compliance activities for required facilities.
- i. Description of what is included in an SWPP plan.
 - ii. Description of activities relating to the SWPP such as:
 - Facility storm water permit registration.
 - Comprehensive site compliance evaluations.
 - Non-storm water discharge evaluations.
 - Visual inspection of facilities and storm drainage.
 - Routine inspection of facilities and storm drainage.
 - Sand/Oil/Ground water sampling.
 - iii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iv. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - v. Documenting standards and regulations related to activities and outputs.
- C. Industrial Waste compliance management for required facilities.
- i. Description of compliance activities relating to Industrial Waste management including:
 - Registration for Hazardous Material Permits
 - Sewer sampling reports
 - Hazardous Material disposal process
 - ii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iii. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - iv. Documenting standards and regulations related to activities and outputs.
- D. NEP requirements for UTA Capital Development projects.
- i. Description of activities relating to NEPA and environmental study reports for Capital Development projects including:
 - Construction Storm Water Permits
 - Environmental evaluations
 - ii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iii. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - iv. Documenting standards and regulations related to activities and outputs.
- E. UTA's Sustainability plan development and strategy.
- i. Description of what is included in UTA's Sustainability plan.
 - ii. Description of activities relating to Sustainability including:
 - UTA Sustainability Report
 - Sustainability Steering Committee
 - iii. Description of when (frequency, due dates, etc.) each task is to be completed.

- iv. Description of outputs (such as formal documents, reports, filings, etc.) for all compliance activities.
- v. Documenting standards and regulations related to activities and outputs.

Management Response and Action Plan:

Response: the DESP team currently operates under an existing Environmental Protection Policy and a Sustainability Policy. Other edits are highlighted throughout this document.

Management Action Plan:

- Review and update, if necessary, existing Environmental Protection Policy (2024 policy approved by policy committee and sent to Board of Trustees for final approval was delayed due to policy/sop process update/review by outside legal counsel). The Environmental Protection policy will cover environmental compliance (industrial wastewater, SPCC, & SWPPP) and NEPA.
- Review and update, if necessary, existing, Board approved, Sustainability Policy, approved October 11, 2023. The Sustainability Policy will be a stand-alone policy for sustainability and cross-referenced in the Environmental Protection policy.

Responsible:

Manager of Environmental Compliance and Sustainability, Environmental Compliance Administrator, NEPA Project Administrator, Environmental Compliance & NEPA Administrator, and Environmental Stewardship & Sustainability Specialist.

Target Completion Date:

Target date will be determined once Board process of UTA Policies and SOP's being resolved currently by outside counsel is completed. As stated above, a medium risk level requires agreed remedial action within six months; clock will begin once new UTA policy/SOP process is determined and completion date will be set for six months later.

Finding 25-01-02 Develop SOPs for high priority tasks listed in DESP Policy

Risk Level: Medium

Criteria

UTA Board of Trustees Policy No. 1.1 "Process for Establishing Board Policies", II.D.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 a revision schedule adopted by the Board by resolution.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 12 states,

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

The Points of Focus for Principle 12 further states,

Management establishes control activities that are built into business processes and employees' day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.

Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.

Condition

The DESP team's current SOPs do not sufficiently detail who and how high priority tasks are performed. Current versions of SOPs focus on activities of other business units and lack descriptions of how the DESP team manages compliance with regulatory standards.

Cause

Not applicable

Effect

- A lack of formal SOPs may result in inconsistent performance standards and uncompleted tasks.
- Individuals may rely on personal judgement and informal workarounds to fulfill responsibilities without prescribed standards of procedure.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of formal governing documents.

Recommendation

1. IA recommends that management work with UTA's Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in SOP.

2. IA recommends that management develop and adopt SOPs for the following high priority tasks:

A. SPCC plans.

- v. List steps for staff to complete the task.
- vi. List steps for staff to complete all necessary activities, such as:
 - Petroleum Storage Tank (PST) testing and registration
 - PST inspections of aboveground and underground tanks
 - Collection of Auto Tank Gauging records
- vii. Description of who within the DESP team performs each task.
- viii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- ix. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

B. SWPP plans

- i. List steps for staff to complete the task.
- ii. List steps for staff to complete all necessary activities, such as:
 - Facility storm water permit registration.
 - Comprehensive site compliance evaluations.
 - Non-storm water discharge evaluations.
 - Visual inspection of facilities and storm drainage.
 - Routine inspection of facilities and storm drainage.

- Sand/Oil/Ground water sampling.
- iii. Description of who within the DESP team performs each task.
- iv. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- v. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

C. Industrial Waste management

- i. List steps for staff for all necessary activities, such as:
 - Registration for Hazardous Material Permits
 - Sewer sampling reports
 - Hazardous Material disposal process
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

D. NEPA and environmental evaluations for Capital Development projects

- i. List steps for staff to complete all necessary activities, such:
 - Construction Storm Water Permits
 - Environmental evaluations
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

E. UTA's Sustainability plan development and compliance activities.

- i. List steps for staff to complete all necessary activities, such as:
 - UTA Sustainability Report
 - Sustainability Steering Committee
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

Management Response and Action Plan:

Response: the DESP team currently operates under an existing Environmental Review SOP and an existing SWPPP SOP.

Management Action Plan in order from Table 1:

- Draft and adopt an Industrial Wastewater SOP.
- Update current Environmental Review Process SOP dated 2007 and adopt.
- Draft and adopt an SPCC SOP.
- Draft and adopt a Sustainability SOP.
- Update current SWPPP SOP dated 2004 and adopt.

Responsible:

Manager Environmental Compliance and Sustainability, Environmental Compliance Administrator, NEPA Project Administrator, Environmental Compliance & NEPA Administrator, and Environmental Stewardship & Sustainability Specialist.

Target Completion Date:

Target date will be determined once Board process of UTA Policies and SOP's being resolved currently by outside counsel is completed. As stated above, a medium risk level requires agreed remedial action within six months; clock will begin once new UTA policy/SOP process is determined and completion date will be set for six months later.

Finding 25-01-03 Job Description Review

Risk Level: Low

Criteria

UTA Human Resources recommends that managers review job descriptions that are more than five years old.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 3 states,

Management establishes, with board oversight, structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 4 states,

The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 5 states,

The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

The Points of Focus for Principle 5 further states,

Management and the board of directors establish the mechanisms to communicate and hold individuals accountable for performance of internal control responsibilities across the organization and implement corrective action as necessary.

Condition

IA reviewed the job descriptions for DESP employees to verify the age of the documents, minimum experience requirements, and job duties are described. Three of the six job descriptions reviewed have not been updated within the past five years. Additionally, the only high priority tasks described in job descriptions are NEPA compliance and Sustainability.

Table 2. Job Description Attributes

Job Title	Last Updated	Minimum Experience Described	Job Duties Described	Additional Comments
Environmental Compliance Administrator	06/2022	Yes	Yes	Job duties will need review upon development of departmental policy and SOPs.
Environmental Compliance & NEPA Administrator	08/2021	Yes	Yes	Job duties will need review upon development of departmental policy and SOPs.
Environmental Stewardship Sustainability Specialist II	08/2017	Yes	Yes	
Manager of Environmental Compliance and Sustainability	11/2023	Yes	Yes	
NEPA Project Administrator	05/2017	Yes	Yes	
Project Manager III	10/2014	Yes	Yes	

Cause

Not applicable.

Effect

- Accurate and complete job descriptions are essential to management for the following reasons:
 - Establishing roles and responsibilities, which is a key component of formal governance.
 - Setting and enforcing expectations with employees.
 - Job descriptions are a primary input to determining employee pay. Inadequate pay can lead to staffing shortages.
 - Ensuring that management has formally accounted for key tasks.

Recommendation

1. IA recommends that management work with UTA's Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in job descriptions.
2. Management should work with Human Resources to review all job description documents and make necessary updates. Job descriptions should align with updated policy and SOPs.

Management Response and Action Plan:

Management will work with Human Resources to review all job description documents and make necessary updates. Job descriptions will align with updated policy and SOPs, as appropriate.

Responsible:

Manager of Environmental Compliance and Sustainability

Target Completion Date: As stated above, a low risk level requires agreed remedial action within twelve months; the proposed response will be completed within twelve months.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Mike Hurst, Director Internal Audit
PRESENTER(S): Mike Hurst, Director Internal Audit
Luke Barber, Senior Internal Auditor
Travis King, Director, Safety and Security

TITLE:

Commuter Rail Safety Audit (25-09)

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion.

BACKGROUND:

The 2025 Internal Audit Plan, which was approved by the Audit Committee on March 10, 2025, includes a Commuter Rail Safety Audit. This is an annual audit required by the UTA Commuter Rail Safety Plan, and the procedures are primarily based on checklists published by the Federal Transit Administration, modified for use in Commuter Rail. Internal Audit is limited to reporting on observations with recommendations. It is the decision of the Safety department what observations, if any, require corrective action plans. The Federal Railroad Administration reviews the results of the audits and evaluates how management addresses issues. Accountability to Agency Governance for this audit will go to the Board of Trustees through the Safety Department. The purpose of this report is to inform the Audit Committee that this specific project on the 2025 Internal Audit Plan has been completed.

DISCUSSION:

Internal Audit will report on the completion of the audit.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

2025 Commuter Rail Safety Audit Results Memo (25-09)

Date: November 5, 2025
To: Travis King, Director Safety & Security
Cc: Audit Committee for the Utah Transit Authority; Mike Hurst, Director Internal Audit
From: Luke Barber, Senior Internal Auditor
Subject: 2025 Commuter Rail Safety Audit Results

Background

Utah Transit Authority (UTA) Internal Audit (IA) completes the Commuter Rail Safety Audit each year as required by the Commuter Rail Safety Plan. The 2025 audit appears on the UTA Audit Plan approved by the Audit Committee on March 10, 2025.

IA selected audit procedures using Federal Transit Administration (FTA) checklists, modified for use in Commuter Rail, and rotates topics on a three-year cycle. The UTA Safety team owns the audit results and determines whether corrective action plans are needed to address Findings of Non-Compliance or Compliance with Recommendations. The Federal Railroad Administration (FRA) reviews the results and evaluates how findings are addressed.

Scope

Luke Barber, Senior Internal Auditor for UTA, conducted the 2025 Commuter Rail Safety Audit. He holds the Public Transportation Safety Certification Program – Bus certification and the Transit Safety and Security Program – Bus certification.

The audit reviewed activities from January 1, 2024, through December 31, 2024, and considered information from other periods when relevant.

IA covered the following elements:

1. System Safety Program Goals
2. Railroad System Description
3. Maintenance, Repair, and Inspection Program
4. Rules Compliance and Procedure Review
5. Emergency Management
6. Workplace Safety
7. Risk-Based Hazard Management Program
8. Risk-Based Hazard Analysis
9. Internal System Safety Program Assessment

10. Internal Safety Program

Results

The following summarizes each element, divided into Findings of Non-Compliance and Compliance with Recommendations. IA applied conservative judgment when identifying Non-Compliance. Management should review this report carefully to determine appropriate action plans.

1. System Safety Program Goals

Findings of Non-Compliance:

Management has not communicated FRSSP goals to staff. As a result, staff had not implemented the goals. Additionally, the goals were missing from the Rule Book, which could have served as another method of communication.

Compliance with Recommendations:

IA identified no additional opportunities for improvement.

2. Railroad System Description

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.

3. Maintenance, Repair, and Inspection Program

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.

4. Rules Compliance and Procedure Review

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.

5. Emergency Management

Findings of Non-compliance:

Section 2 of the FrontRunner Passenger Train Emergency Preparedness Plan requires employees to complete annual Emergency Response training. IA found that nine employees had not completed the required training in either 2024 or 2025.

Compliance with Recommendations:

IA noted that the 239 Passenger Train Emergency Preparedness Plan was last updated in 2018. We recommend reviewing and updating the document.

IA also verified emergency equipment on passenger coaches as required by the audit program. The Emergency Preparedness Plan specifies that each coach carry flashlights for emergencies. During inspection, IA found that glow sticks replaced the flashlights. This change is acceptable because conductors and train hosts carry flashlights. However, UTA should update the Emergency Preparedness Plan to reflect this modification.

6. Workplace Safety

Findings of Non-compliance:

On September 4, 2025, IA participated in a monthly safety walk and identified multiple unlabeled chemicals on the maintenance shop floor. Some chemicals were stored on carts and workbenches instead of in chemical storage cabinets.

In response to this observation, IA tested the Safety Data Sheet (SDS) database on SharePoint to determine if directions existed for each chemical related to first aid, personal protective equipment (PPE), spill response, fire response, and storage and handling. The following information was missing:

- 11 chemicals missing first aid directions
- 11 chemicals missing PPE directions
- 123 chemicals missing spill response directions
- 126 chemicals missing fire response directions
- 126 chemicals lacking proper storage directions

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.

7. Risk Based Hazard Management Program

Findings of Non-compliance:

IA found that the Safety Department did not maintain the Hazard Log FrontRunner tracking sheet

during 2023 and 2024.

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.

8. Risk Based Hazard Analysis

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.

9. Internal System Safety Program Assessment

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.

10. Internal Safety Program Assessment

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

No issues that the auditor considers opportunities for improvement.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Mike Hurst, Director Internal Audit
PRESENTER(S): Mike Hurst, Director Internal Audit
Camille Glenn, Regional General Manager Salt Lake and Mount Ogden
Service Units

TITLE:

Mount Ogden Bus Maintenance Audit Report (25-10)

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion.

BACKGROUND:

Internal Audit conducted an audit of Mount Ogden Bus Maintenance as part of the 2025 Internal Audit Plan. The objective of the audit was to evaluate governance, risk management activities of the department, and timeliness of the performance preventative maintenance on buses. The first two topics were reported to the Audit Committee on June 16, 2025. Internal Audit did not complete testing of preventative maintenance in that phase of the audit because an insufficient sample size existed. That testing has now been completed, the audit report has been updated to reflect the results, and the updated report will be presented to the Audit Committee.

DISCUSSION:

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

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

- Mount Ogden Bus Maintenance Audit Report v2 (25-10)



INTERNAL AUDIT

25-10 Mount Ogden Bus Maintenance Audit Final Report

October 9, 2025

Table of Contents

Executive Summary	3
Attachment A: Detail of Recommendations	5

Rating Matrix

Descriptor	Guide
High	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.
Medium	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.
Low	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 ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Operating Officer	*	*	*
Regional General Manager – Mount Ogden Business Unit		*	
Manager Vehicle Performance and Maintenance – Mount Ogden Business Unit		*	

¹For 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 Utah Transit Authority (“UTA”) Audit Committee directed the Internal Audit department (“IA”) to conduct a performance audit over bus maintenance at the Mount Ogden Business Unit. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025. IA did not complete the audit in accordance with Global Internal Audit Standards published by the Institute of Internal Auditors. This was because of open action items on our quality assessment, which precluded us from using that language, although our procedures and approach was not altered for this engagement. The previous edition of the report erroneously stated that we conducted the audit according to standards.

Background and Overview

The Mount Ogden Business Unit (“Mt. Ogden”) provides fixed route bus services to Weber County and parts of Davis and Box Elder Counties. As of April 2025, Mt. Ogden has 115 buses and maintenance for the buses are performed in-house by UTA employees. The Fleet Engineering department issues inspection forms used by Mt. Ogden that determine the timing and procedures of regular maintenance.

Objectives and Scope

IA based the audit objectives and scope on the results of planning procedures that included discussions with management, and assessments of risk and fraud risk. The topics for the audit were:

1. Governance
IA reviewed policies and procedure documents, maintenance manuals, and job description documents.
2. Risk Management
IA verified if management was participating in training and surveys from the Enterprise Risk Management department.
3. Maintenance Performance
IA tested the performance of inspections to verify timeliness. Additionally, IA analyzed the age of the Mt. Ogden bus fleet, the experience of their employees, and their maintenance expenditures in comparison to other UTA fixed route business units. This analysis was for information purposes only, to set context for their performance.

IA set the audit period as January 1, 2024, through February 28, 2025.

Summary

1. Governance

IA found that management keeps extensive and highly specific maintenance manuals for each bus model in the fleet. This is a strong practice that ensures mechanics have access to accurate information from the manufacturer to properly service the bus fleet.

IA reviewed the safety-related standard operating procedures (“SOP”), 14 in total, to determine how recently management has updated them. Management has not updated any of the SOPs in the past five years. We note that these SOPs are not within sole control of Mt. Ogden management but is common to all bus operation units. We recommend that management at the appropriate level work with the Safety department to review these SOPs and make any necessary updates.

IA reviewed the job description documents for maintenance related positions, six in total, to determine the age of the documents, if minimum experience is described, and if job duties are listed. All the job descriptions were at least five years old, one (Coach Cleaner) did not describe the minimum experience required, and four had a low level of details for the job duty description. We note that these job descriptions are not within sole control of Mt. Ogden management but is common to all bus operation units. We recommend that management at the appropriate level work with the Human Resources department review these job descriptions and make any necessary updates.

2. Risk Management

IA confirmed that management has participated in all expected risk management activities with the Enterprise Risk Management department, including completing training and risk surveys.

3. Maintenance Performance

IA did not complete inspection testing during the first phase of the audit because there was not a sufficient sample size. Management knew about issues with inspection timeliness by June 2024 and took steps to address the issue. IA waited to perform this testing so that periods beginning in July 2024 could be tested.

The Fleet Engineering department is responsible for implementing inspection checklists and setting intervals that then are to be completed. Inspections are scheduled every 6,000 miles. Performance is acceptable if completed between 5,400 to 6,600 miles. There are four different inspections completed in a required sequence.

IA tested a total of 296 inspections performed since July 2024. 294 inspections were completed in the correct sequence. The variance of two is immaterial. 213 inspections were completed timely, 58 were completed early at an average of 4,175 miles, and 25 were completed late at an average of 7,015 miles.

We discussed these results with the supervisor of the Fleet Engineering. They were not concerned by the results, stating that there was no risk in damaging engines at the intervals the data showed. IA considers the audit variances to be immaterial based on this informed judgment.

IA ran analysis on the attributes of fleet age, employee experience, and maintenance spend at Mt. Ogden compared to other bus business units at UTA. These attributes influence the results achieved. Our purpose was to set the context of the work environment at Mt. Ogden relative to their peers. We do not draw any conclusions or recommendations based on this analysis.

First, Mt. Ogden has an older fleet than any other business unit, as shown below in Table 1.

Table 1. Average Mileage per Vehicle

Location	Number of Vehicles	Average Mileage per Vehicle
Mt. Ogden	115	322,184
Meadowbrook	150	259,238
Central	82	253,934
Timpanogos	77	190,775

The average mileage per vehicle Mt. Ogden is about 63,000 more than the location with the second highest average.

Additional analysis showed that 40% of buses at Mt. Ogden are older than 10 years, compared to a combined 16% older than 10 years at the other locations. 38% of buses at other locations are newer than five years, compared to 30% at Mt. Ogden. We expect maintenance needs to increase as vehicles get older. Mt. Ogden maintains the oldest fleet at UTA, which increases the relative difficulty of their task relative to their peers.

Second, the team at Mt. Ogden has a similar level of experience to Meadowbrook and Timpanogos. Each of these locations have similar percentages of Master Journeyists (most experienced), Journeysists, and Mechanics/Technician Apprentice (least experienced). The average years of experience at these locations is about 11 years.

The outlier in experience is the Central location. Their average years of experience is 14 and they have a significantly higher percentage of Master Journeyists and a significantly lower percentage of Mechanics/Technician Apprentice than the other three locations.

Third, Mt. Ogden spends less per bus in four out five spend categories related to maintenance. See Table 2 below.

Table 2. Maintenance Spend Comparison

Spend Category	Average Spend per Bus (All Locations)	Spend per Bus (Mt. Ogden)
Regular Wages	\$31,136	\$25,420
Other Fluids	\$1,401	\$1,213
Lease of Tires : Buses	\$4,273	\$4,327
Repair Parts	\$11,976	\$9,744
Shop Tools	\$510	\$174

Mt. Ogden spends less on maintenance per bus than other locations

Attachment A: Detail of Recommendations

Finding 25-10-01 Standard Operating Procedures Need Reviewed

Risk Level: Low

Criteria

UTA Board of Trustees Policy No. 1.1 “Process for Establishing Board Policies”, II.D.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 at least every three years.

Condition

IA reviewed the age of safety related standard operating procedures (“SOPs”) to determine the age. Management has not updated any of the SOPs in the last three years. See Table 2 below.

Table 3. Date Updated for Safety Related Standard Operating Procedures

Standard Operating Procedure Title	Date Updated
Safety Inspections and Audits	8/21/2015
Walking-Working Surfaces	8/21/2015
Fall Protection	5/31/2017
Roadway Response Safety	8/21/2015
Hot Work (cutting/welding) Plan	5/31/2017

Spray Finishing Operations	8/21/2014
Respiratory Protection Plan	8/21/2015
Confined Space (Permit and Non-Permit)	11/15/2019
Hazard Energy Control (Lockout/Tagout)	5/31/2017
Power Industrial Truck and Forklift Safety Program	8/21/2015
Overhead Lifting (Crane and Hoist Operation)	5/31/2017
Machine/Equipment Safety and Guarding Plan	8/21/2015
Exposure Control Plan (Blood-Borne Pathogens)	6/29/2017
Regulatory Inspection Response	8/21/2015

No safety-related SOPs have been reviewed in the past three years.

Cause

Not applicable.

Effect

- Employees' safety may be compromised if safety-related SOPs are not up to date with current procedures.
- Many safety-related SOPs are created to comply with regulations and laws. Outdated SOPs may not be aligned with these regulations and laws, increasing the risk of a non-compliance finding from oversight agencies.

Recommendation

Operations management should work with the Safety Department to review safety-related SOPs and make necessary updates.

Management Response and Action Plan

Management agrees with the recommendation. We acknowledge the need to keep procedures current to ensure alignment with regulatory requirements and industry best practices.

We are in the process of establishing a new quality management function that will guide and support systematic review, revision, and control of documented procedures within operations, maintenance, and public safety. This work includes the deployment of a quality management system designed to elevate our procedures, strengthen compliance, and proactively identify/mitigate operational risks. We are continuing to mature our culture of excellence...one where safety, documented information, and accountability are shared values. This will help ensure that procedures are consistently updated.

Action Plan:

- Review the related procedures in collaboration with the Safety Department.
- Prioritize procedures based on regulatory urgency, operational impact, and risk.
- Implement a recurring review schedule aligned with UTA policy and industry standards.
- Deploy a quality management system to support document control and compliance tracking.

Responsible

Chief Operating Officer

Target Completion Date

August 2026

Criteria

UTA Human Resources recommends that managers review job descriptions that are more than five years old.

Condition

IA reviewed the job descriptions for maintenance employees to verify the age of the documents, and that minimum experience and job duties are described. Management has not updated any of the job descriptions in the past five years. Additionally, several job descriptions have low details for job duties.

Table 4. Job Description Attributes

Job Title	Last Updated	Minimum Experience Described	Job Duties Described
Bus Vehicle Maintenance Supervisor	09/2019	Yes	Yes
Journeyist	06/2015	Yes	Yes – low level of details
Manager Vehicle Performance & Maintenance	04/2020	Yes	Yes
Mechanic/Technician Apprentice	03/2020	Yes	Yes – low level of details
Service Employee	03/2020	Yes	Yes – low level of details
Coach Cleaner	11/2014	No	Yes – low level of details

Bus maintenance job descriptions have not been updated in five years

Cause

Not applicable

Effect

- Accurate and complete job descriptions are essential to management for the following reasons:
 - Establishing roles and responsibilities, which is a key component of formal governance.
 - Setting and enforcing expectations with employees.
 - Job descriptions are a primary input to determining employee pay. Inadequate pay can lead to staffing shortages.
 - Ensuring that key tasks are formally accounted for.

Recommendation

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Management Response and Action Plan

Management concurs with the recommendation. Accurate and current job descriptions are foundational to governance, role definition, and workforce planning.

We are initiating a phased effort to update maintenance-related job descriptions. We will begin with non-union positions to ensure alignment across modes and consistency in job expectations. Union-represented job descriptions will follow, recognizing that additional coordination with labor partners may be required.

This review will ensure essential duties are well-defined, minimum qualifications are accurate, and descriptions reflect the current needs and expectations of each role.

Action Plan:

- Review and update non-union maintenance job descriptions in collaboration with the People Office.
- Coordinate with the People Office to review and update union-represented job descriptions.
- Ensure all updated job descriptions include minimum experience requirements and detailed essential duties.
- Establish a formal review cycle for job descriptions going forward.

Responsible

Chief Operating Officer

Target Completion Date

January 2026



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 12/15/2025

TO: Audit Committee
FROM: Mike Hurst, Director Internal Audit
PRESENTER(S): Mike Hurst, Director Internal Audit
Kyle Stockley, Director of Capital Vehicles

TITLE:

Buy America Compliance Audit (25-07)

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion.

BACKGROUND:

The 2025 Internal Audit Plan, which was approved by the Audit Committee on March 10, 2025, included an audit engagement of compliance with Buy America requirements. Buy America is a set of United States laws and regulations that require federally funded infrastructure (e.g., buildings, bridges) or rolling stock (e.g., buses, trains) use materials and assembly labor sourced in the United States. Buy America applies to any UTA infrastructure or rolling stock procurement that has a federal funding component. UTA Buy America compliance activities are a joint effort between project managers and the Procurement department.

The objectives of this audit were to evaluate the control environment around how UTA ensures Buy America compliance and not compliance testing. Audit topics comprised of governance, risk management, procedures and controls around Pre-Award Audits, and procedures and controls around Post-Delivery Audits.

DISCUSSION:

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

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

- Buy America Compliance Audit Report (25-07)



INTERNAL AUDIT

Buy America Compliance Audit

25-07

November 5, 2025

Table of Contents

Executive Summary	3
Attachment A: Detail of Recommendations	5

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Descriptor	Guide
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Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Capital Services Officer	*	*	*
Director of Capital Vehicles	*	*	*
Chief Financial Officer		*	*
Director of Supply Chain		*	*
Procurement Supervisor		*	*

¹For 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 Utah Transit Authority (“UTA”) Audit Committee directed the Internal Audit department (“IA”) to conduct an audit of UTA controls to ensure compliance with Buy America requirements. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025.

Background and Overview

Buy America is a set of United States laws and regulations that require federally funded infrastructure (e.g., buildings, bridges) or rolling stock (e.g., buses, trains) use materials and assembly labor sourced in the United States. Buy America applies to any UTA infrastructure or rolling stock procurement that has a federal funding component. Internal Buy America compliance activities are a joint effort between project managers and the Procurement department.

Objectives and Scope

IA based the audit objectives and scope on the results of planning procedures that included discussions with management, and assessments of risk and fraud risk. The audit was limited to rolling stock procurements. The topics for the audit were:

1. Governance
IA reviewed policies and procedure documents, job description documents, Buy America related training, and how management stays updated on Buy America changes.
2. Risk Management
IA verified if management was participating in training and surveys from the Enterprise Risk Management department.
3. Procedures and controls around Pre-Award Audit
Buy America requirements include what is called a Pre-Award Audit, which is an evaluation of a manufacturer’s capability to provide rolling stock that is compliant with Buy America before a contract is awarded. IA evaluated management’s procedures and controls for Pre-Award Audits to determine if they were sufficiently designed to ensure compliance with Buy America.
4. Procedures and controls around Post-Delivery Audits.
Buy America requirements include what is called a Post-Delivery Audit, which is an evaluation of a manufacturer’s capability to provide rolling stock that is compliant with Buy America before the contract is fulfilled. IA evaluated management’s procedures and controls for Post-Delivery Audits to determine if they were sufficiently designed to ensure compliance with Buy America.

Note that IA’s objectives were to evaluate the control environment around how UTA ensures Buy America compliance and not compliance testing.

IA set the audit period as January 1, 2024, through June 30, 2025. IA reviewed other periods as necessary.

Summary

IA reviewed job descriptions for employees involved in Buy America compliance and found that they all sufficiently describe Buy America compliance responsibilities. We reviewed the Procurement department's procedure manuals and found that they adequately assign responsibility for compliance and compliance procedures. Management has participated in Buy America related training and subscribes to alerts that would be likely to inform them of any changes to Buy America requirements.

Management has strong procedures and controls for most aspects of the Pre-Award and Post-Delivery Audits of rolling stock procurements. We noted that management does not scrutinize minimum domestic content figures provided by manufacturers in bus procurements. We recommend that they develop procedures to evaluate the accuracy of minimum domestic content percentages stated by manufacturers and perform those procedures in all bus procurements.

Attachment A: Detail of Recommendations

Finding 25-07-01 Insufficient reviews of minimum domestic content

Risk Level: Low

Criteria

49 CFR 663.25 states the Pre-Award Audit requirements for domestic content. In summary, a waiver must be on file or a certification that the buyer:

...is satisfied that the rolling stock to be purchased meets the requirements...after having reviewed itself or through an audit prepared by someone other than the manufacturer or its agent documentation provided by the manufacturer which lists- Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs.

49 CFR 663.35 states the requirements for verifying domestic content in a Post-Delivery Audit:

For purposes of this part, a post-delivery Buy America certification is a certification that the recipient keeps on file that- The recipient is satisfied that the rolling stock meets the requirements....after having review itself or by means of an audit prepared by someone other than the manufacturer or its agent documentation provided by the manufacturer which lists- components and subcomponent parts of the rolling stock identified by manufacturer of the parts, their country of origin and costs...

Condition

During procurement of fixed route buses, management relies on the manufacturer to provide information on the domestic content percentages of their assembled buses in both the Pre-Award and Post-Delivery Audits. Management accepts this information as accurate without further review or scrutiny.

This stands in contrast to management's approach in a recent procurement of light rail vehicles. For this procurement, management hired a third party to perform the Pre-Award Audit. The third party describes their procedures in the report:

The [third party] team reviewed the Buy America Breakdown matrix presented by [manufacturer], ensuring all quotes, Memorandum of Understandings (MOUs), and certifications were aligned with Buy America regulations. Foreign-origin components were scrutinized for accuracy, and pricing was verified.

This is a strong practice that will hold up to federal audit scrutiny better than accepting the manufacturer's figures without further validation.

Cause

Not applicable.

Effect

Management is responsible for Buy America compliance deficiencies if found in a federal audit. Potential penalties for non-compliance may include loss of future grant funding and claw-back of previous federal funding. Management can reduce this risk by performing meaningful evaluations of domestic content.

Recommendation

IA recommend that management develop procedures to evaluate the accuracy of minimum domestic content percentages stated by manufacturers and perform those procedures in all bus procurements.

Management Response and Action Plan

Management concurs with the recommendation. The Capital Vehicle team will develop and implement procedures, modeled after those recently used in the light rail vehicle procurement, to evaluate and verify the minimum domestic content percentages provided by bus manufacturers. These procedures will include documentation review and verification steps to ensure compliance with Buy America requirements. The team will incorporate this process into all future bus procurements to strengthen internal controls and ensure the accuracy of domestic content reporting.

Action Plan:

1. Review Existing Frameworks (Q4 2025)
 - Evaluate the procedures used during the recent light rail vehicle procurement to verify domestic content.
 - Identify key documentation, verification methods, and approval processes that can be adapted for bus procurements.
 - Coordinate with the bus manufacturer to ensure alignment with FTA guidance and internal compliance standards.
2. Develop Bus Procurement Verification Procedures (Q1 2026)
 - Draft a standardized checklist and review protocol for domestic content verification.
 - Define roles and responsibilities for Procurement, Project Management, Bus Manufacturer, and Compliance staff.
 - Establish criteria for requesting and validating manufacturer documentation (e.g., material cost breakdowns, supplier certifications, and Buy America affidavits).
 - Produce draft of the Pre-award audit for review.
3. Implement Procedures During 2026 Bus Production (Q2–Q3 2026)
 - Apply the new verification process as part of the upcoming 2026 bus procurement cycle.
 - Use this procurement as a pilot to test and refine the procedures.

- Document all verification steps, findings, and lessons learned to establish a baseline for future audits.
- Produce draft of the Post Delivery audit for review.
- 4. Finalize and Institutionalize Process (Q4 2026)
 - Finalize the Pre-Award and Post-Delivery audits
 - Update UTA's Pre-Award and Post-Delivery Audit procedures to incorporate the finalized verification process.
 - Provide reference materials to ensure consistent application.

Outcome:

UTA will establish a comprehensive process for verifying domestic content percentages in bus procurements that fully aligns with FTA Buy America requirements. The 2026 bus procurement will serve as the foundation for developing and testing the new procedures, allowing UTA to evaluate each verification step in real-time and adjust based on practical application. This hands-on approach ensures the process is grounded in actual procurement activities rather than theoretical design, resulting in stronger documentation and compliance evidence for future audits.

In parallel, UTA will apply and refine the new verification process during the 2026 paratransit bus production to confirm consistency and scalability across multiple vehicle types and manufacturers. The lessons learned from both procurements will be used to finalize the procedures and establish baseline documentation standards. This deliberate approach allows sufficient time to audit the process, confirm its effectiveness, and integrate it as a permanent component of UTA's Pre-Award and Post-Delivery Audit procedures by Q1 2027.

Responsible

- **Lead:** Director of Capital Vehicles
- **Support:**
 - Bus Vehicle Procurement Project Manager
 - Procurement Supervisor
 - Legal

Target Completion Date

Q1 2027