UTA Audit Committee Meeting

December 15, 2025

Call to Order and Opening Remarks

Safety First Minute

Consent Agenda

a. Approval of September 22, 2025 Audit Committee Meeting Minutes

Recommended Action (by acclamation)

Motion to approve the consent agenda.

Audit Committee Actions and Reports

External Financial Auditor Recommendation

Recommendation

- The selection of Crowe, LLP as the agency's external auditor.
  - 3-year term
  - Two 1-year extensions

Background

- Annual independent audit required by state law
- Single Audit required for federally funded programs
- Pension Plan
- Annual agreed upon procedures for National Transit Database reporting

Discussion

- **RFP was issued**
  - 6 firms submitted proposals
  - Selection committee reviewed proposals
- **Selection Criteria**
  - Government and transit agency experience
  - Staff qualifications
  - Ability to deliver required services
  - Cost

Discussion

- **Crowe, LLP received the highest overall score**
    - Extensive experience in government, transit and pension audits
    - GFOA best practices: prioritize firm qualifications over changing auditors

Recommended Action
(by acclamation)

Motion to approve the External Financial Auditor Recommendation, as presented.

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

2025 Audit Includes

- External Financial Audit
- Pension Audit
- Single Audit
- NTD Agreed Upon Procedures

2025 Internal Audit Plan Amendment Approval

2025 Audit Plan – Additional Projects

Engagement #	Audit Phase Project	UTA Strategic Priorities	Level 1 Risks
25-14	Information Technology Physical and Environmental Security Audit	Organizational Excellence	Information Security; Technology
25-15	Job Description Process Audit	Organizational Excellence	Operational

Recommended Action
(by acclamation)

Motion to approve the 2025 Internal Audit Plan Amendment, as presented.

2025 Agency Risk Assessment Report

Key Results

Risk Level

Moderate

207.4	171.0
2025 Rating	2023 Rating

Control Effectiveness

Partially to Moderately Effective

4.88	4.27
2025 Rating	2023 Rating

- The current Moderate risk level exceeds the desired Low-moderate risk level set by the Executive Team
- Assessment data quality significantly improved this year demonstrating improved leader awareness and understanding of risks and controls

Top Perceived Risks

Perceived Risk	Description
Using old/unreliable technology	This refers to software, hardware and radio technology.
Insufficient Behavioral Health	This primarily refers to employee fatigue, but also references physical health/ability, mental health, and drug or alcohol abuse.
Position workload not balanced	This refers to roles where assigned responsibilities exceed employee bandwidth.
Inefficient/ineffective organizational design	This points to gaps in the types of roles that exist at UTA and the way those roles are grouped into teams, departments, service units, and/or chief offices.
Lack of adequate space to perform job functions	This refers to UTA administration, maintenance and operations buildings not expanding with service levels.
Employee unsafe practices	This refers to employees not adhering to safety policies, procedures and/or best practices.
Inadequate staff and/or resource allocation	This means there are not enough employee roles created to meet customer needs. It can also indicate there are not enough vendor/contractor resources.
Inability to attract and retain qualified employees	This refers to an inability to find people with the required skillsets to fill open job postings. It can also indicate high turnover.

Top Perceived Risks

Perceived Risk	Risk Appetite	Current Risk Level	% Change
Using old/unreliable technology	Moderate	Moderate	↑20.35%
Insufficient Behavioral Health*	Low	Moderate	↑35.03%
Position workload not balanced*	Low	Moderate	New Risk
Inefficient/ineffective organizational design*	Low	Moderate	↓18.37%
Lack of adequate space to perform job functions*	Low	Moderate	New Risk
Employee unsafe practices*	Low	Moderate	↑49.83%
Inadequate staff and/or resource allocation	Low	Moderate	↑ 13.76%
Inability to attract and retain qualified employees	Low	Moderate	↑18.49

**New to top eight list in 2025*

Risks that dropped off the top eight list in 2025: Insufficient Knowledge of or Not Following Regulations/ Requirements, Disengaged Employees, Inadequate Communication Between Teams and Individuals, Asset/Equipment Does Not Meet Needs.

Three-year Risk Rankings

Perceived 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*

The Inability to Attract and/or Retain Qualified Employees Risk dropped from No. 1 in 2023 to No. 8 in 2025, demonstrating that UTA's hiring practices are actively reducing this risk across UTA

2026-27 Agency Risk Priorities

Risk Priority	Supporting Initiative(s)
Three top risks related to employee workload: • Workload Not Balanced • Inefficient/Ineffective Organizational Design • Inadequate Staff and/or Resource Allocation	• 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
• Insufficient Behavioral Health	

Risk prioritization supports strategy achievement

Internal Audit Update

Internal Audit Update

a. 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

Internal Audit Update

December 15, 2025

Agenda Item 5. a.

2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-01	Environmental Governance	Complete	December 2025
25-02	Vanpool Operations	In progress	Expected March 2026
25-03	Purchase Card Program	Complete	September 2025

2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-04	Video Security	Complete	December 2025
25-05	Special Services Operations	Complete	September 2025
25-06	Drug and Alcohol Compliance	Postponed (insufficient sample size)	Expected September 2026

2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-07	Buy America Compliance	Complete	December 2025
25-08	Light Rail Safety	Complete	September 2025
25-09	Commuter Rail Safety	Complete	December 2025

2025 Audit Plan – Internal Audit Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-10	Mount Ogden Bus Maintenance	Complete	First phase: June 2025. Second phase: December 2025
25-11	Assurance Map	Complete	June 2025

2025 Audit Plan – Outsourced Projects

Engagement #	Audit Phase Project	Current Status	Report to Audit Committee
25-12	Bus Safety Audit	Report Pending	Award – September 2025; Audit Report – March 2026
25-13	Construction Audit	Contract Awarded	Award – December 2025; Report – to be determined based on the timing of construction project audited

25-12 Bus Safety Audit

- Outsourced to auditors from American Public Transportation Association (APTA)
- Completed onsite visit the week of October 6
- APTA will compile their findings and recommendations and publish a report by mid January 2026.
- Report will be presented at the March 2026 Audit Committee Meeting.

25-13 Construction Audit

- We have completed the bid process for the audit work and are working on finalizing a contract with the firm.
- Construction will be completed mid 2028.
- Audit report will be presented to the Audit Committee at the conclusion of the audit in 2028.

Open Audit Recommendations Report - December 2025

Open Issues Update

December 15, 2025

Summary of Recent Activity

- 12 Issues Closed
  - Five in People Office
  - Four in Capital Services
  - Two in Finance
  - One in Operations

- As of report publishing, the following issues were in process of closing:
  - Two submitted for change, awaiting further documentation
  - Management gathering evidence for two issues
  - One Capital Services issue should be closed pending policy adoption expected January 2026.
  - One Finance issue should be closed pending Workday implementation.

- 13 issues reported in the September 2025 Audit Committee meeting were added to the report.
  - Resolution is not expected on these by now.

Issues closed since last Audit Committee Meeting, page 1

- Issue R-22-07-01 Project Requests
  - Capital Development Management has created a new form for requesting capital projects with new budgetary information requirements.

- Issue R-22-06-1 Support Fleet Governance and Resources
  - Non-Revenue Vehicle Management presently has sufficient resources to meet their needs.

- Issue R-22-06-05 Vehicle Use Thresholds
  - Non-Revenue Vehicle Management has established minimum use thresholds in formal procedure document.

- Issue R-22-06-6 Access to Purchase Card System
  - Non-Revenue Vehicle Management has received access to the US Bank system to pull reports and receipts for vehicle related purchases.

Issues closed since last Audit Committee Meeting, page 2

- Issue R-23-11-A Human Resources Information System
  - Management has procured a new Human Resource system, has procured training on the new system, and has formal plans for an orderly implementation.

- Issue R-23-11-D Talent Acquisition Team Structure
  - Management has created a supervisor position and have one additional specialist compared to March 2023.

- Issue R-23-11-F Jobvite Validation Rules
  - This issue was administratively closed because the Jobvite system is being replaced.

- Issue R-23-11-H Talent Acquisition Team Communication
  - The Talent Acquisition team has various huddles and team meetings at a regular cadence.

- Issue R-23-11-I Immediate Process Improvements
  - Management has demonstrated a culture of continuous improvement.

Issues closed since last Audit Committee Meeting, page 3

- Issue R-24-01-01 Disclosures to UTA Ethics Officer
  - Procurement Management has created a new form that requires the Ethics Officer to sign off on potential or actual conflicts-of-interest identified during a procurement.

- Issue R-24-01-02 Procurement Department is Under-resourced
  - Procurement management converted a contractor position to a full-time employee position. They are monitoring need to determine if a second contractor position should be converted.

- Issue R-23-04-2 Transit Communication Center Staffing
  - Management accepted the risk. They are restructuring the dispatch centers instead of adding additional headcount.

Open Issues by Audit Plan Year

Audit Plan Year	Current Count of Open Issues	Count of Open Issues September 2025	Change
2020	2	3	-1
2021	7	7	0
2022	3	6	-3
2023	10	16	-6
2024	1	3	-2
2025	15	2	13
Total	**38**	**37**	**1**

Note:

- 39% of currently open issues are from the 2025 plan, up from 5% in September. With the totals about the same, this indicates that old issues are being addressed.

Open Issues by Chief Office

Chief Office	Current Count of Open Issues	Count of Open Issues September 2025	Net Change
Capital Services	6	10	-4
Enterprise Strategy/Operations	0	1	-1
Finance	12	6	6
Operations	15	10	5
People Office	5	10	-5
Total	**38**	**37**	**1**

Note:

- 13 new issues were reported in September Audit Committee meeting
  - 8 Finance
  - 5 Operations

Internal Audit Reports

Environmental Governance Audit (25-01)

Audit Scope

- Period of Review: January 1, 2024 – July 31, 2025

- Audit topics:
  - Governance
    - In depth review of governance around key environmental processes
  - Risk Management

Audit Results, 25-01-01

- Issue: There is a lack of clear policy to establish governance over high-priority tasks.

- We recommend that management work with UTA's Continuous Improvement team to create process maps of high-priority tasks. These process maps will assist in identifying the necessary elements to include in policy, SOP, and job descriptions.

- We recommend that management develop and adopt a singular policy that documents the team's regulatory oversight, authority, structures, reporting lines, and responsibilities.

Audit Results, 25-01-02

- Issue: Current Standard Operating Procedures (SOP) do not sufficiently detail who and how high priority tasks are performed.

- We recommend that management develop and adopt SOPs for high priority tasks.

Audit Results, 25-01-03

- Issue: Job description documents for the Environmental team do no sufficiently describe duties related to high priority tasks.

- We recommend that management work with Human Resources to review all job descriptions and make necessary updates.

Commuter Rail Safety Audit (25-09)

Audit Scope

- Period of Review: January 1, 2024 – December 31, 2024. Other periods reviewed as necessary.

- Audit topics:
  - Safety Goals
  - Hazard Management Program and Analysis
  - Railroad System Description
  - Emergency Management
  - Workplace Safety
  - Rules Compliance and Procedure Review
  - Maintenance, Repair, and Inspection Program
  - Internal System Safety Program
  - Internal Safety Program

Audit Results

- Internal Audit completed the audit on November 4, 2025.
- A report was issued to the UTA Director of Safety and Security
- The report was limited to observations with no recommendations
- It is the decision of the Safety Department what observations to address and how to address them. The Federal Railroad Administration reviews the results of the audit and how findings are addressed.

Audit Results

- Findings of Compliance with Recommendations
  - IA noted that the 239 Passenger Train Emergency Preparedness Plan has not been updated since 2018
  - The language in the 239 Plan for emergency equipment available on trains was outdated.
  - System Safety Program Goals contained in the Front Runner System Safety Program (FRSSP) have not been communicated to employees by management. Additionally, the rules are missing from the Rule Book.

Audit Results

- Findings of Non-compliance
  - The Safety Department had not maintained the Hazard Log tracking Corrective Action Plans (CAPs) for the years of 2023 and 2024.
  - During a safety walkthrough IA found multiple unlabeled chemicals on the maintenance shop floor and improperly stored.

Audit Results

- Findings of Non-compliance
  - IA tested the Safety Data Sheet (SDS) database on UTA's SharePoint and identified a number of chemicals lacking directions related to first aid, personal protective equipment (PPE), spill response, fire response, and storage and handling.
  - IA found that nine employees had not completed the required Emergency Response training. Further information after the audit completion showed that training had occurred but documentation needed to be updated.

Mount Ogden Bus Maintenance Audit Report (25-10)

Audit Scope

- Period of Review: January 1, 2024 – February 28, 2025
- Testing was expanded to include inspections completed through September 16, 2025.

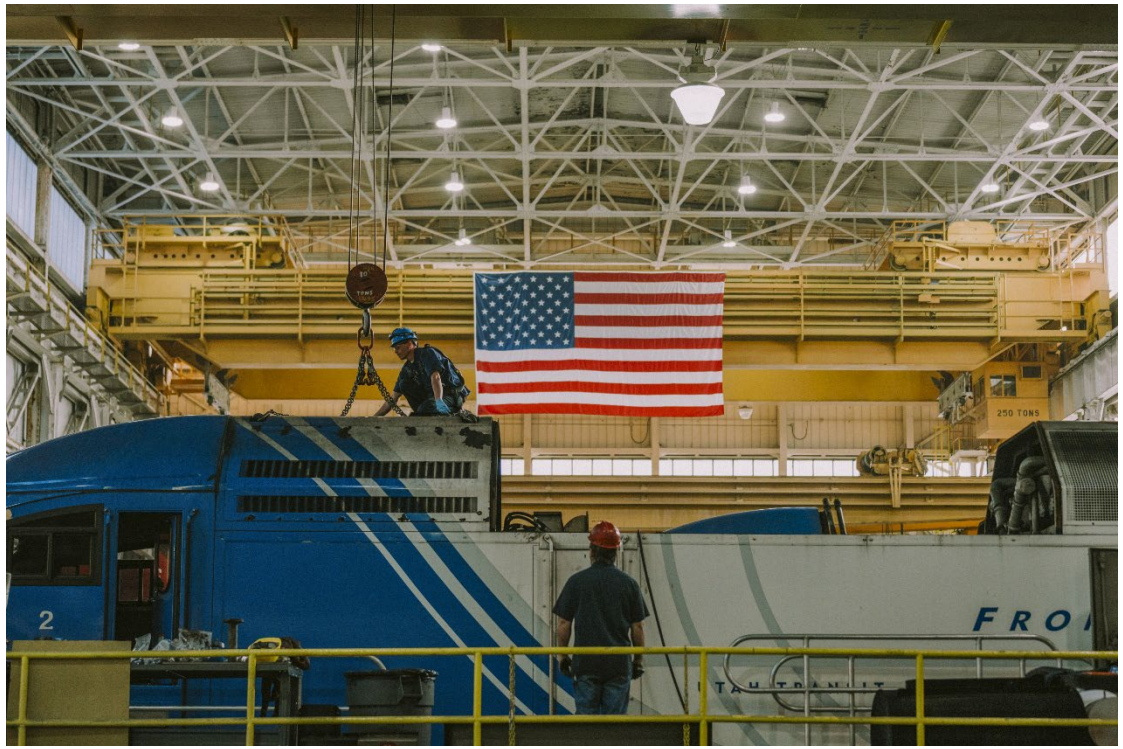
- Audit topics:
  - Governance (previously reported)
  - Risk Management (previously reported)
  - Maintenance Performance

Inspection Testing Results

- IA tested 296 inspections, verifying they were completed in the correct sequence and at a timely interval, which is defined as between 5,400 to 6,600 miles from the last inspection.
- 294 inspections were completed in the correct sequence – the variance of two is immaterial.
- 213 inspections were completed timely.
- 58 inspections were completed early at an average interval of 4,175 miles.
- 25 inspections were completed late at an average interval of 7,015 miles.
- IA reviewed the timeliness results with Fleet Engineering, who viewed the variances as immaterial.

Buy America Compliance Audit (25-07)

Audit Scope



Period of Review: January 1, 2024 – June 30, 2025

Audit topics:

- Governance
- Risk Management
- Pre-Award Audit Procedures
- Post-Delivery Audit Procedures

Audit Results, 25-07-01

- Issue: Management does not validate manufacturer provided domestic content percentages in bus procurements.

- 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.

Other Business

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

Adjourn