



Minutes of the Regular Meeting of the  
**Utah Transit Authority (UTA) Audit Committee**

Monday, December 9, 2019, 3:00 p.m.  
Utah Transit Authority Headquarters  
669 West 200 South, Salt Lake City, Utah  
Golden Spike Conference Rooms

**Audit Committee Members Present:**

Carlton Christensen, Chair  
Beth Holbrook  
Kent Millington  
Jeff Acerson  
Troy Walker

Also attending were members of UTA staff, interested citizens, and members of the media.

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**Call to Order and Opening Remarks.** Chair Christensen welcomed attendees and called the meeting to order at 3:03 p.m.

Chair Christensen informed attendees that Trustee Holbrook would be late as she was at another meeting. Trustee Holbrook arrived at 3:04 p.m.

**Safety Minute.** Chair Christensen yielded the floor to Sheldon Shaw, UTA Safety & Security Director, for a brief safety message.

**Approval of October 28, 2019 Audit Committee Meeting Minutes.** A motion to approve the October 28, 2019 Audit Committee Meeting Minutes was made by Member Walker and seconded by Trustee Holbrook. The motion carried unanimously.

**Agency Report.** Carolyn Gonot, UTA Executive Director, advised there was no agency report.

**Peer Review Assessment Report.** Shane Young, UDOT Performance Audit Manager, provided an overview of the External Quality Assessment which they performed for UTA. He reviewed the process timeline, scope of work, satisfactory performance recognition, and continuous improvement opportunities. Mr. Young noted that no material deficiencies were found in UTA compliance with Institute of Internal Audit (IIA) standards.

The committee asked how often a peer review should be done and Mr. Young replied.

**Risk Management Update.** Dave Pitcher, UTA Claims & Insurance Manager, gave an update on the independent review of UTA's risk management performed by Crowe, LLP. He outlined the purpose, schedule, key accomplishments to date, next steps, and timeline for completion. He noted Crowe has scheduled a Risk Assessment Summit/Forum with the executive management team in early December 2019 and plans to deliver the results in early January 2020. He also advised Crowe's team will then use the results to complete the project, develop a gap analysis on UTA's risk management practices, and tailor the framework for an enterprise risk management program for UTA.

Questions regarding the standard which Crowe, LLP uses to identify potential risks and what defines the top risks were posed by the committee and answered by Mr. Pitcher.

**Internal Audit Update.** Riana De Villiers, UTA Chief Internal Auditor and Ethics Officer, updated the committee on the status of the 2019 Audit Plan. She reported that the Grants Management Audit has been issued. Ms. De Villiers noted that the Payroll Preliminary Assessment has moved from the fieldwork phase to the reporting stage and that the Accounts Payable and Data Access Audits are both in the fieldwork stage. Ms. DeVilliers reminded the committee that the Maintenance of Way (Systems) Preliminary Assessment has been postponed to 2020.

Ms. De Villiers reviewed the status of open items for both audits and preliminary assessments, noting the progress of management in addressing open items associated with the National Transit Database, Operating and Ridership Reporting, Vanpool Operations, Accounts Payable, Budget Management, Maintenance of Way (Infrastructure), and State of Good Repair.

Questions regarding how findings are being resolved, what specific items are included in the term "assets," and whether a full asset report will be provided to the committee were posed by the committee and answered by Ms. De Villiers and Troy Bingham, UTA Comptroller.

Ms. De Villiers reported to the committee on valuable ideas she received at an audit-related conference she attended in October 2019. Ms. De Villiers believes the lessons learned from this conference, including increasing the internal audit maturity level, and the usefulness of internal audit reports, can add value to the internal audit department and the organization as a whole. Ms. Devilliers also announced that the audit department will be implementing new audit software in January 2020.

Questions regarding need for increased resources, return on investment, and the conversion process for new software were asked by the committee and answered by Ms. De Villiers.

#### **Internal Audit Report Review.**

**Maintenance of Way (MOW) - Infrastructure Preliminary Assessment.** Ms. De Villiers was joined by Brian Ledbetter, UTA Senior Internal Auditor; Todd Mills, UTA Sr. Supply Chain Manager; Eddy Cumins, UTA Chief Operating Officer; and Dave Hancock, UTA Director of Asset Management. Mr. Ledbetter reviewed items included in and items excluded from the infrastructure preliminary assessment scope as well as findings of the assessment. Findings included recommendations regarding contracting, governance, inspections, maintenance, and training. Management informed the committee of actions taken to address the findings.

The committee asked if the current inspection and maintenance method is paper-based and when they anticipate implementing an electronic system. Mr. Hancock provided answers to the committee's questions.

**Grants Management Report.** Ms. De Villiers was joined by Mr. Ledbetter, Mr. Bingham, and Patti Garver, UTA Program Manager of Environmental, Grants, and Project Controls. They outlined the primary areas of focus for the Grants Management Audit as well as recommendations. Findings and recommendations addressed deficiencies in governance, asset tracking, disposals, and accounting. Management provided an action plan to address all recommendations. Carolyn Gonot, UTA Executive Director, commented on the FTA Triennial report and where those findings overlap with the Grants Management Report findings. Ms. De Villiers added that once the risk assessment is finished the authority will be in a much better position.

Questions regarding whether assets acquired through grants are tracked, how many of the Federal Transit Administrations (FTA) compliance measures are superfluous to operating effectively, how long it will take to become FTA compliant, the availability of historical asset records, the required retention period for records, and whether the task of identifying all assets through historical records is realistic were posed by the committee and answered by staff.

#### **Other Business.**

**Next Meeting.** The next audit committee meeting is scheduled for February 10, 2020 at 3:00 p.m.

**Adjournment.** A motion to adjourn was made by Member Walker and seconded by Trustee Millington. The meeting adjourned at 4:21 p.m. by motion and unanimous vote.

Transcribed by Angie Olsen  
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*This document along with the digital recording constitute the official minutes of this meeting.*