



Utah Transit Authority

Audit Committee

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Monday, March 6, 2023

3:00 PM

FrontLines Headquarters

Present: Chair Carlton Christensen
Jeff Acerson
Beth Holbrook
Mark Johnson

Excused: Troy Walker

Also attending were UTA staff and interested community members.

1. Call to Order & Opening Remarks

Chair Carlton Christensen welcomed attendees and called the meeting to order at 3:01 p.m. He announced this is an in-person, recorded meeting, with live viewing available online. He noted Committee Member Troy Walker is excused and Committee Member Mark Johnson will be participating remotely.

2. Safety First Minute

Johanna Goss, UTA Senior Internal Auditor, delivered a brief safety message.

3. Consent

a. Approval of December 12, 2022 Audit Committee Meeting Minutes

A motion was made by Trustee Holbrook and seconded by Trustee Acerson to approve the consent agenda. The motion carried unanimously.

4. Reports and Approvals

a. Audit Committee Charter Approval

Annette Royle, UTA Director of Board Governance, described the mission and duties contained within the Audit Committee Charter which include actions pertaining to both internal and external audits. She outlined the committee composition and meetings which operate under the governance of the UTA Bylaws and the committee charter which are reviewed and approved annually by the Audit Committee. Ms. Royle noted an addition to the charter in 2023, which is the review and approval of the internal audit function.

A motion was made by Trustee Acerson and seconded by Trustee Holbrook to approve the Audit Committee Charter. The motion carried unanimously.

b. Internal Audit Charter Approval

Mike Hurst, UTA Director - Internal Audit, presented the following changes made to the

2022 Internal Audit Charter:

- Added responsibility for safety audits.
- Added responsibility for retaliation and discrimination investigations.
- Removed responsibility for annual risk assessment (this has been performed by the Enterprise Strategy Office since 2021).
- Clarified the audit process flowchart is “typical” since Internal Audit does other kinds of projects in addition to what is depicted in the charter.

A motion was made by Trustee Holbrook and seconded by Trustee Acerson to approve the Internal Audit Charter. The motion carried unanimously.

c. 2022 Risk Assessment

Alisha Garrett, UTA Chief Enterprise Strategy Officer, presented the agency’s 2022 risk assessment process, which includes: online training, risk and cause identification, risk matrix prioritization, assessment and data collection, summary of findings, action plan creation, and ultimately risk mitigation.

The top eight perceived risks identified by the assessment include: attracting employees, outdated/unreliable technology, inadequate disaster response capability, poor process execution, cyberattack vulnerability, impact of poor decision making at leadership level, insufficient revenue to meet operational needs, and worn out equipment failures.

Ms. Garrett reviewed the next steps which include understanding the risks, assigning ownership of tasks, training workshops, mitigation planning, and risk assessment preparation. She mentioned some of these items will include a project span over the next five years with several feeding into the internal annual process. Mr. Hurst added several of the risks identified in the assessment correlate with the 2023 audit plan, and strategies are in place to address those risks.

Questions relating to training, assessment participation rates and timelines, prioritization of risks in building the audit plan, identifying risks and causes, and possible refinement of the assessment process were posed by the committee and answered by Ms. Garrett.

5. Internal Audit Update

a. Internal Audit Update

- **2022 Audit Plan Status**
- **2023 Audit Plan Status**
- **Quality Assurance and Improvement Program (QAIP)**
- **Internal Audit Activities**

2022 Audit Plan Status

Mr. Hurst provided a status report on the remaining 2022 audit plan projects which include COVID Stimulus Spending, Bus Operations, and Transit Oriented Development (TOD). The audit team will report on the COVID Stimulus Spending project today and are in process of wrapping up the other two projects which are expected to be finalized

by June 2023. Reports will be issued to the committee at that time.

Mr. Hurst noted the Utah Department of Transportation, (UDOT), internal audit team is completing a review of UTA's conflict of interest identification and mitigation process because UTA internal auditors perform that function for the TOD program.

Chair Christensen posed questions regarding Department of Justice oversight, joint venture agreements, financial transactions, and conflicts of interest, which were addressed by Mr. Hurst.

2023 Audit Plan Status

Mr. Hurst provided a status update on the 2023 audit plan. This included continued, new, and special projects, some of which are already in progress or with a scheduled start date in 2023.

He referenced outsourced audit projects which include a recruitment audit, (vendor selected), and the IT Help Desk project which is in the preparation stages of being put out to bid.

Questions relating to data analytics, timeline for the recruitment process, and the IT Help Desk process, were posed by the committee and answered by Mr. Hurst.

Quality Assurance and Improvement Program (QAIP)

Mr. Hurst referenced the QAIP plan which is an internal self-assessment required by the audit standards published by the Institute of Internal Auditors.

He shared the seven self-recommendations for the Internal Audit Department. These include conducting feedback surveys, incorporating the Committee of Sponsoring Organizations (COSO) framework and training, training on Institute of Internal Auditors (IIA) standards, documenting training, updating standard operating procedures, and coordinating with other agency assurance activities.

Questions regarding coordination with external auditors were posed by the committee and staff and answered by Mr. Hurst.

Other Internal Audit Activities

Mr. Hurst spoke to other internal audit activities which include Safety Certification Training and Equal Employment Opportunity (EEO) investigations and related governance.

6. Internal Audit Report Review

a. Limited Scope Assessment of Covid Stimulus Funding

Mr. Hurst was joined by Daniel Hofer - UTA Director of Capital Assets & Project Controls and Troy Bingham - UTA Comptroller, to present a report on the COVID stimulus funding assessment.

Mr. Hurst noted UTA was awarded stimulus funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRSSA) Act, and the American Rescue Plan Act. The first

two were audited by the agency's external auditor last year who requested that an assessment of COVID funding be included in the 2022 internal audit plan.

Internal audit completed an assessment to review the accuracy of the drawdown process, allowability of claimed costs, verify costs were not claimed on other grants, and completeness of draw downs against awarded amounts. No reportable issues were noted and the requirements for receiving these grants were fully met by the agency.

A question regarding verification of costs not claimed on other grants was posed by Trustee Holbrook and answered by staff.

7. Other Business

- a. Next Meeting: Monday, June 26th, 2023 at 3:00 p.m.

8. Adjourn

A motion was made by Trustee Acerson and seconded by Trustee Holbrook to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 4:08 p.m.

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

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials and audio located at <https://www.utah.gov/pmn/sitemap/notice/816519.html> for entire content.

Meeting materials along with a time-stamped video recording may also be accessed at https://rideuta.granicus.com/player/clip/218?view_id=1&redirect=true&h=d64309648d3a0f9617c78fd2cc308635

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

Approved Date:

Carlton Christensen
Chair, UTA Audit Committee