



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

Monday, August 12, 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 (via telephone)

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

Member Walker joined the meeting at 3:00 p.m. via telephone.

Call to Order and Opening Remarks. Chair Christensen welcomed attendees and called the meeting to order at 3:01 p.m.

Safety Minute. Chair Christensen yielded the floor to Sheldon Shaw, UTA Acting Manager of Safety and Security, for a brief safety message.

Approval of June 10, 2019 Audit Committee Meeting Minutes. A motion to approve the minutes of the June 10, 2019 Audit Committee Meeting was made by Trustee Millington and seconded by Member Acerson. The motion carried unanimously.

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 Cash Management Audit has been issued as well as the State of Good Repair and Budget Management preliminary assessments. Ms. De Villiers noted the Maintenance of Way (Infrastructure) preliminary assessment is in the reporting stage, and that the Data Access audit is currently on hold due to restructuring. She also noted the Grants Managements audit is in the fieldwork stage. Ms. De Villiers explained the Maintenance of Way (Systems) has been divided in two and is on schedule along with the Payroll and Accounts Payable audits. Ms. De Villiers indicated that all of the 2016 and 2017 audit findings have been addressed and that there are still some findings in progress from the 2018 and 2019 audits.

Questions regarding whether or not the auditors were looking at the timeliness of drawdowns in response to a grants management comment in the Federal Monitors Report, why findings relating to van pool operations have not been addressed, and if findings regarding the National Transit Data Base were related to reporting requirements were posed by the committee and answered by Ms. De Villiers.

Internal Audit Survey Results. Ms. De Villiers provided the results of the Internal Audit Survey. She informed the committee of the objective of the survey and that participants remain anonymous. She also reported on how long the survey was open, the number of responses received, results of the survey, and that the survey was administered by the People Office.

Questions regarding assessment of non-compliance and staff's uncertainty of the auditor's role were posed by the committee and addressed by Ms. De Villiers.

Ms. De Villiers also provided an update of the ethics program. She reported that, upon approval by the Board, the UTA Ethics Policy was rolled out and explained to employees. She advised that as part of training all personnel will be provided with electronic copies of the policy and be expected to read and sign it, stating they are familiar with the policy. She pointed out that all administrative employees will receive classroom training in 2019 on the ethics policy and that an update will be provided to the committee at their meeting in October. Ms. De Villiers then discussed reports required by the Board and Ethics Policies, which workforce, board, and committee members are required to comply, what the due date for compliance is, and that internal audit and the Attorney General's office will review the reports.

Internal Audit Report Review.

Grants Management Preliminary Report. Ms. De Villiers requested Brian Ledbetter, UTA Senior Internal Auditor to join her.

Mary DeLoretto, UTA Acting Chief Service Development Officer explained who the grant administrators are, of their responsibilities, and the number of grants they are currently working on.

Mr. Ledbetter shared context from the internal audit perspective, provided an overview of the scope of the preliminary assessment, and reviewed recommendations associated with governance, grant approvals, contracting and payments, drawdowns, closeouts, reviews of federal financial report and milestone progress report, grant asset tracking, and accounting. Management spoke about policies and procedures designed to address the audit findings.

Questions regarding who is responsible to review expenses submitted for drawdowns with grant applicability, who is required to identify assets, if standard operating procedures are in place to dispose of assets, the number of sub-recipients and who they may include, and whether all procurements are treated as though they may be federal procurements were posed by the committee and answered by management.

State of Good Repair Preliminary Report. Ms. De Villiers reminded the committee that this report was issued in July 2019, that management has not had sufficient time to

address the findings, and that the intent of the report is to provide an opinion of the highest risk items. Mr. Ledbetter was joined by Eddy Cumins, Chief Operating Officer and Dan Hofer, UTA State of Good Repair Manager. Together they provide background and other information on the process. Mr. Ledbetter overviewed the scope, focuses, engagements, and recommendations of the report. Mr. Cumins and Mr. Hofer reported on steps taken and future plans to mitigate the findings.

Questions regarding creating criteria for what gets approved or funded first, and whether or not staff plans to continue using four systems to record asset data were posed by the committee and answered by management.

Other Business.

Next Meeting. The next audit committee meeting is tentatively scheduled for October 21, 2019 at 3:00 p.m.

Adjournment. The meeting was adjourned at 4:29 p.m. by motion.

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