

Regular Meeting of the
Utah Transit Authority Audit Committee

Monday, February 10, 2020, 3:00 p.m.
Utah Transit Authority Headquarters
669 West 200 South, Salt Lake City, Utah
Golden Spike Conference Rooms



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| 1. Call to Order & Opening Remarks | Chair Carlton Christensen |
| 2. Safety First Minute | Sheldon Shaw |
| 3. Consent | Chair Carlton Christensen |
| a. Approval of December 9, 2019 Audit Committee Meeting Minutes | |
| b. Approval of 2020 Meeting Schedule | |
| 4. Audit Committee Charter Approval | Riana De Villiers |
| 5. Internal Audit Charter Approval | Riana De Villiers |
| 6. 2020 Risk Assessment and Report | Dave Pitcher,
Mark Maraccini and
Bill Dykstra (Crowe, LLP) |
| 7. 2020 Audit Plan Approval | Riana De Villiers |
| 8. Internal Audit Update | Riana De Villiers |
| a. 2019 Audit Plan Status Update | |
| 9. Other Business | Chair Carlton Christensen |
| a. Next meeting: Monday April 6, 2020 at 3:00 p.m. | |
| 10. Closed Session | Chair Carlton Christensen |
| a. Discussion regarding deployment of security personnel, devices, or systems. | |
| 11. Adjourn | Chair Carlton Christensen |

Public Comment: Members of the public are invited to provide comment during the public comment period. Comment may be provided in person or online through www.rideuta.com. In order to be considerate of time and the agenda, comments are limited to 2 minutes per individual or 5 minutes for a designated spokesperson representing a group. Comments may also be sent via e-mail to boardoftrustees@rideuta.com. To be distributed to the Board of Trustees prior to the meeting or be included in the meeting minutes, online or email comments must be received by 2:00 p.m. the day before the meeting.

Special Accommodation: Information related to this meeting is available in alternate format upon request by contacting callredge@rideuta.com or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.

Situational awareness - 'seeing' your security gaps





MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
FROM: Jana Ostler, Board Manager

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT:	Approval of December 9, 2019 Audit Committee Meeting Minutes
AGENDA ITEM TYPE:	Consent
RECOMMENDATION:	Approve the minutes of the December 9, 2019 Audit Committee Meeting.
BACKGROUND:	A regular meeting of the UTA Audit Committee was held on Monday, December 9, 2019 at 3:00 p.m. at UTA Headquarters. Minutes from the meeting 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 .
ATTACHMENTS:	1) 2019-1209 Minutes_Audit Committee_unapproved



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.

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 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/574833.html> for entire content.

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



MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
FROM: Jana Ostler, Board Manager

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT:	Approval of 2020 Audit Committee Meeting Schedule
AGENDA ITEM TYPE:	Consent
RECOMMENDATION:	Approve the 2020 Audit Committee Meeting Schedule as outlined below.
BACKGROUND:	<p>The proposed 2020 meeting schedule is anticipated to meet the needs of the UTA Audit Committee and the agency. If additional meetings are deemed necessary, or if cancellations are needed, they will be properly noticed according to the Utah Open and Public Meetings Act.</p> <p>Audit Committee Meetings will be held at UTA Headquarters every other month on Mondays at 3:00 p.m. as follows.</p> <ul style="list-style-type: none">• February 10, 2020• April 6, 2020• June 22, 2020• August 24, 2020• October 19, 2020• December 14, 2020
ATTACHMENTS:	None



MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
FROM: Riana de Villiers, Chief Internal Auditor
PRESENTER(S): Riana de Villiers, Chief Internal Auditor

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT: Audit Committee Charter Approval	
AGENDA ITEM TYPE:	Action Item
RECOMMENDATION:	Recommend the revised Audit Committee Charter to the Board of Trustees for approval
BACKGROUND:	UTA's Bylaws establish the Audit Committee and directs the committee to function under the terms of an adopted charter to be reviewed annually. The Audit Committee approved the existing Audit Charter at their June 10, 2019 meeting.
DISCUSSION:	<p>Minor changes are being proposed to the Audit Committee Charter, which are noted in the attachment. The proposed modifications add further language on the external auditor's responsibilities regarding state compliance requirements and agreed upon procedures.</p> <p>The revised Audit Committee Charter is being presented to the Audit Committee for their review and recommendation to the Board of Trustees for approval to ensure that the Charter remains relevant.</p>
ATTACHMENTS:	1) Audit Committee Charter

AUDIT COMMITTEE CHARTER

FOR THE UTAH TRANSIT AUTHORITY

Pursuant to the Utah Transit Authority's ("UTA") Bylaws, the Board of Trustees ("Board") has established an Audit Committee to provide oversight of both the internal and external audit functions.

The components of this Audit Committee Charter include:

- Mission Statement
- Composition and Requisite Skills
- Duties and Responsibilities
- Membership
- Meetings and notification~~s~~
- Decision-Making Process
- Reporting Requirements
- Charter Review

MISSION STATEMENT

The Audit Committee is established to assist the Board in fulfilling its responsibilities for overseeing UTA's accounting and financial reporting processes, the integrity of their financial statements, and responsibilities related to systems of internal controls.

COMPOSITION AND REQUISITE SKILLS

As set forth in UTA's Bylaws, the Audit Committee is comprised of the Board of Trustees and the Chair and Vice-Chair of the Advisory Council.

The Committee will review accounting, auditing, and financial reports and evaluate UTA's financial statements, the external audit, and internal audit activities. Accordingly, the Audit Committee has a collective responsibility to insure they:

- 1) Possess the requisite knowledge necessary to understand technical and complex financial reporting issues.
- 2) Have the ability to communicate with auditors, public finance officers and governing officials.
- 3) Are informed about internal controls, financial statement audits and management/operational audits.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Audit Committee include the following:

- 1) External Audit Focus
 - a. Provide recommendations regarding the selection of the external auditor.
 - b. Meet with the external auditor prior to commencement of the audit to, among other things, review the engagement letter.
 - c. Review and discuss with the external auditor any risk assessment of the entity's fiscal operations developed as part of the auditor's responsibilities under governmental auditing standards for a financial statement audit, ~~and~~ federal single audit standards, state compliance requirements, or agreed upon procedures, if applicable.

- d. Receive and review the draft annual audit report and accompanying draft management letter, including the external auditor's assessment of the entity's system of internal controls.
 - e. Make a recommendation to the Board of Trustees on accepting the annual audit report.
 - f. Review corrective action plans developed by UTA's management.
- 2) Internal Audit Focus
- a. Assist in the oversight of the internal audit function, including reviewing the annual internal audit plan to ensure that high risk areas and key control activities are periodically evaluated and tested, and reviewing the results of internal audit activities.
 - b. Review significant recommendations and findings of the Internal Auditor.
 - c. Receive updates on management's implementation of the Internal Auditor's recommendations.
 - d. Participate in the evaluation of the performance of the Internal Audit function.
- 3) Administrative Matters
- a. Hold regularly scheduled meetings.
 - b. Review and revise the Audit Committee Charter, as necessary

MEMBERSHIP

The membership duties of the Audit Committee include the following:

- 1) Good Faith – Members of the Audit Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and UTA with such care as a generally prudent person in a similar position would use under similar circumstances.
- 2) Independence – An individual may not serve on the Audit Committee if he or she:
 - a. Is employed by the entity (other than governing board members).
 - b. Currently provides, or within the prior two years, has provided, goods or services to the entity.
 - c. Is a family member of an employee or officer.
 - d. Is the owner of or has a direct and material interest in a company providing goods or services to the entity.

MEETINGS AND NOTIFICATIONS

The Audit Committee shall meet a minimum of four times each year. An agenda of each meeting should be clearly determined in advance and the Audit Committee should receive supporting documents in advance, for reasonable review and consideration.

The Audit Committee shall create meeting minutes which include the meeting:

- 1) Agenda
- 2) Time, date, and location
- 3) Attendance
- 4) Findings requiring further investigation
- 5) Items to report to the Board of Trustees

DECISION-MAKING PROCESS

All decisions shall be reached by vote of a simple majority of the total membership of the Committee. A quorum constitutes a simple majority of the total membership and meetings will not be conducted unless a quorum is present.

REPORTING REQUIREMENTS

The Audit Committee has the duty and responsibility to report its activities to the Board for their action as needed. The Audit Committee's reporting requirements are to:

- 1) Provide minutes or a summary of minutes of meetings which clearly record the actions and recommendations of the Committee.
- 2) Report on its review of UTA's draft annual audit report and accompanying management letter and its review of significant findings.
- 3) Report on suspected fraud, waste or abuse, or significant internal control findings and activities of the internal control function.
- 4) Report on indications of material or significant non-compliances with laws or UTA policies and procedures.
- 5) Report on any other matters that the Committee believes should be disclosed and referred to the Board for their action.

CHARTER REVIEW

The UTA Audit Committee shall assess the adequacy of this Charter no less than an annual basis or as necessary. Charter modifications, as recommended by the Audit Committee, should be presented to the Board in writing for their review and action.



MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
FROM: Riana de Villiers, Chief Internal Auditor
PRESENTER(S): Riana de Villiers, Chief Internal Auditor

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT:	Internal Audit Charter Approval
AGENDA ITEM TYPE:	Action Item
RECOMMENDATION:	Approve the revised Internal Audit Charter
BACKGROUND:	<p>The International Standards for the Professional Practice of Internal Auditing, no 1000, requires an Internal Audit function to have a charter in place that defines the purpose, authority and responsibility of such a function. The charter should be reviewed on a periodic basis.</p> <p>UTA's Bylaws direct the Audit Committee to adopt a charter, to be reviewed annually, that establishes the scope of the Internal Auditor's responsibilities. The Audit Committee approved the existing Internal Audit Charter at their June 10, 2019 meeting.</p>
DISCUSSION:	<p>The revised Internal Audit Charter is being presented to the Audit Committee for their review and approval to ensure that the Charter remains relevant and that the Internal Audit Department is aligned with the Audit Committee's expectations.</p> <p>A minor change to verbiage is being proposed to the Internal Audit Charter which is noted in the attachment.</p>
ATTACHMENTS:	1) Internal Audit Charter

INTERNAL AUDIT CHARTER

FOR THE UTAH TRANSIT AUTHORITY

The Board of Trustees ("Board") has established the Internal Audit Department ("Internal Audit") as a key component of the Utah Transit Authority's ("UTA") governance framework.

This Internal Audit Charter serves as a framework for Internal Audit in the performance of its duties and is intended to provide a basis for the Board to evaluate the Internal Audit function.

The components of this Internal Audit Charter include:

- Mission Statement
- Scope of Work
- Responsibilities
- Audit Plan
- Reporting
- Independence and Authority
- Standards of Audit Practice

MISSION STATEMENT

The mission of Internal Audit is to improve UTA's operations and systems of internal controls and add value through independent, objective assurance, and consultative support. Internal Audit helps UTA accomplish its objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance activities and processes.

SCOPE OF WORK

The scope of audit coverage is agency-wide including all departments and business units of UTA.

In order to fulfill its mission, Internal Audit assesses whether UTA's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in areas such as:

- Risk identification and management
- Operational control
- Accurate, reliable, and timely financial, managerial and operating information
- Compliance with policies, standards and procedures
- Adherence to applicable laws and regulations
- Management's achievement of goals and objectives
- Economic acquisition, efficient use, and adequate protection of resources
- Support of management in their interaction with the various internal organizations and external regulatory authorities as needed.

RESPONSIBILITIES

The Chief Internal Auditor and the Internal Audit staff have responsibility to:

- Facilitate UTA's annual risk assessment
- Develop an annual Audit Plan using appropriate risk-based methodology (including risks or control concerns identified by management, the Audit Committee and external audits) and submit that plan to the Audit Committee for review and approval
- Perform a preliminary assessment of the key processes and related internal controls supporting operations and financial reporting as part of the audit process
- Communicate preliminary assessment results and recommendations to management and the Audit Committee as part of the audit process
- Complete internal audits to assess the key processes and related internal controls by testing the adequacy of design and operational effectiveness of the key controls supporting operations and financial reporting
- Communicate audit findings, recommendations and management action plans to management, the Audit Committee, and any other relevant parties through an audit report at the finalization of each audit
- Follow-up with management to assess whether action plans are completed by management within the mutually agreed timeframe to address the risks and deficiencies identified
- Prepare and present reports to the Audit Committee summarizing the status of Internal Audit's work at least quarterly but could be more frequently as directed by the Audit Committee
- Design and roll-out programs and practices around ethics, with support from the Compliance Officer
- Assist in the investigations of suspected misconduct or fraudulent activities within the organization and notify management and, in the event of significant ethical violations, the Audit Committee of the results
- Support UTA management in their interaction with the external financial auditors
- Assist UTA management to facilitate other external compliance audits generally managed through other departments within UTA
- Assist UTA in identifying the characteristics of adequate systems of control
- Maintain a professional audit staff with sufficient knowledge, skills, experience and professional certification to meet the requirements of this Charter
- Keep the Audit Committee informed of emerging trends and best practices in internal auditing
- Assist the Audit Committee in any other way in connection with the discharge of its duties and responsibilities

AUDIT PLAN

The annual Audit Plan is developed each year based upon input from UTA leadership and the Audit Committee.

The annual Audit Plan may include a combination of the following:

- Assessments of compliance with UTA's policies and procedures
- Reviews of internal controls related to significant processes and IT systems to determine whether or not they are properly designed and functioning as intended

- Reviews of financial and operating information
- Assessing whether corporate assets are properly safeguarded
- Reviews of computer-based systems focusing on data security, disaster recovery, and effective use of resources
- Reviews of internal controls designed to ensure compliance with external laws and regulations, including accounting rules and applicable regulations
- Operational audits focusing on improving efficiencies or effectiveness with a goal of contributing to cost reduction efforts
- Strategic audits, such as reviews of due diligence activities and the execution of UTA's strategic objectives

To develop the annual Audit Plan, an overall risk-based approach is used to ensure that the Internal Audit function provides the greatest possible benefit to UTA. On an ongoing basis, matters considered in developing the annual Audit Plan include the following:

- Strategic and operational plans of UTA;
- Risk for potential loss to UTA;
- Opportunities to achieve operating benefits;
- Existence of known errors, irregularities or control weaknesses;
- Results of previous audits;
- Changes in operations, systems or controls;
- Changes in regulatory or other requirements; and
- Requests from management, Audit Committee and External Auditor.

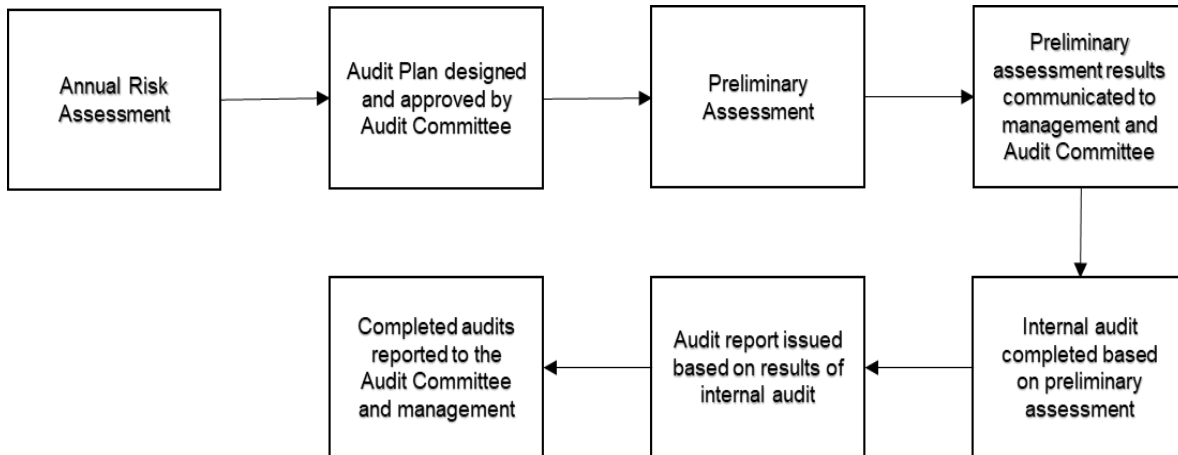
Each year, Internal Audit will work with UTA's leadership to perform risk assessment activities designed to identify and prioritize UTA's key risks. This information will be used to identify priorities to be addressed by the annual Audit Plan.

Based on the risk assessment performed, the Chief Internal Auditor will present a proposed annual Audit Plan to the Audit Committee for approval. Any significant deviation from the formally approved Audit Plan will be communicated to the Audit Committee.

The Internal Audit Plan will be developed in a manner that allows for the coverage of UTA's highest risk areas in a 3 year period. The Chief Internal Auditor, in consultation with the Audit Committee, will determine when certain critical risks and controls require more frequent coverage.

BACKGROUND INFORMATION ON AUDIT PROCESS

The following process flow depicts the audit process at a high-level:



REPORTING

- A preliminary assessment report will be prepared by the Chief Internal Auditor following the assessment of a process or department to provide an initial view on the governance and control environment as part of the audit process. The preliminary assessment will be discussed with the Audit Committee.
- A final written report will be prepared and issued by the Chief Internal Auditor following the finalization of each audit and will be distributed as appropriate. The report will include findings and recommendations along with ~~the audited business unit or department~~'management's action plans. The audit report will be discussed with the Audit Committee.

INDEPENDENCE AND AUTHORITY

To provide for Internal Audit's independence, the Chief Internal Auditor reports directly to the Board of Trustees. All Internal Audit personnel will report to the Chief Internal Auditor. The Chief Internal Auditor will meet at least once every quarter but more frequently, if necessary, with the Audit Committee. The Audit Committee may choose to meet with the Chief Internal Auditor in private and apart from UTA management, if the meeting satisfies the criteria for a closed session under Utah's Open and Public Meeting Act.

To maintain its independence, Internal Audit will have no direct operational responsibility or authority over any of the activities under scope of its review. Accordingly, Internal Audit will not be responsible to develop or install systems or procedures, prepare records, or engage in any other activity that would normally be audited but may perform a consulting role without any decision making authority.

Internal Audit is authorized to have unrestricted access to all company activities, records, property and personnel. Restriction to these accesses imposed by any employee or management of UTA, which prevents Internal Audit from performing its duties, will be reported immediately to the Executive Director, Board Chair, or directly to the Audit Committee, based on circumstances as determined by the Chief Internal Auditor.

STANDARDS OF AUDIT PRACTICE

The Internal Audit will adhere to the Code of Ethics and International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors in the execution of its duties.



MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
THROUGH: Carolyn Gonot, Executive Director
FROM: Dave Pitcher, Claims and Insurance Manager
PRESENTER(S): Crowe, LLP: Mark Maraccini, CPA-Partner; Bill Dykstra, CRMA,CIA
Utah Transit Authority: Dave Pitcher, AIC,ARM-P, Claims and Insurance Manager

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT:	2020 Risk Assessment and Report
AGENDA ITEM TYPE:	Report
RECOMMENDATION:	Informational report for discussion
BACKGROUND:	<p>It was the recommendation of the Board and subsequently the FTA Monitor to conduct an independent risk review, assessment, and analysis of enterprise risk management at Utah Transit Authority.</p> <p>The Chief Internal Auditor completes an annual risk assessment and presents it to the Audit Committee. This year as part of its consultation contract to provide enterprise risk management services, this risk assessment has been completed by Crowe, LLP. The Entity-Wide Assessment of Inherent Risk report is not their final deliverable on their contract but will be used to complete the final report on recommendations for UTA's Enterprise Risk Management (ERM) program.</p>
DISCUSSION:	<p>Crowe, LLP evaluated UTA's risks in the context of the current operating environment without considering the effect that existing mitigation strategies and internal controls have on reducing risk level. These evaluations, referred to as inherent risk assessments, are used to establish a baseline to help organizations understand the key internal and external risks that they face. Many times, these risks are common across the industry and in this case, could be similar to many transit agencies across the country. The next phase of this project will incorporate management's mitigation strategies and the key internal controls that were established by UTA to mitigate these risks. This risk assessment allows internal audit to design the 2020 Internal Audit Plan. This assessment is only a part of the overall ERM evaluation and will be incorporated into the final report which will be completed no later than April 30, 2020.</p>
ATTACHMENTS:	None



MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
THROUGH: Carolyn Gonot, Executive Director
FROM: Riana de Villiers
PRESENTER(S): Riana de Villiers

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT:	2020 Internal Audit Plan
AGENDA ITEM TYPE:	Action Item
RECOMMENDATION:	Approve the 2020 Internal Audit Plan as presented
BACKGROUND:	<p>On an annual basis, the Internal Audit Department designs a risk-based internal audit plan, which is presented to the Audit Committee for approval.</p> <p>For 2020, Crowe LLP performed a risk assessment, which forms part of its consultation contract to provide Enterprise Risk Management Services. This risk assessment has been provided to the Internal Audit Department to use as input for the design of the 2020 Internal Audit Plan.</p>
DISCUSSION:	<p>The draft 2020 Internal Audit Plan is risk-based. The risk report that Crowe LLP will discuss with the Audit Committee at the meeting was used as the basis for the internal audit plan. The purpose of this agenda item is to discuss the draft internal audit plan with the Audit Committee and seek approval for the plan.</p>
ATTACHMENTS:	N/A



MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
FROM: Riana de Villiers, Chief Internal Auditor
PRESENTER(S): Riana de Villiers, Chief Internal Auditor

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT:	Internal Audit Update
AGENDA ITEM TYPE:	Discussion
RECOMMENDATION:	Informational report for discussion
BACKGROUND:	The Audit Committee receives information on current internal audit activities.
DISCUSSION:	This is an update on the 2019 internal audit activities. It includes Information on the current status of the 2019 approved internal audit plan.
ATTACHMENTS:	N/A



MEMORANDUM TO THE AUDIT COMMITTEE

TO: Utah Transit Authority Audit Committee
FROM: Carolyn Gonot, Executive Director
PRESENTER(S): Carlton Christensen, Chair Board of Trustees

AUDIT COMMITTEE MEETING DATE: February 10, 2020

SUBJECT:	Closed Session
AGENDA ITEM TYPE:	Closed Session
RECOMMENDATION:	Approve moving to closed session for discussion regarding deployment of security personnel, devices, or systems.
BACKGROUND:	<p>Utah Open and Public Meetings Act and the UTA Audit Committee Charter allow for the UTA Audit Committee to meet in a session closed to the public for various specific purposes. The purpose for this closed session is:</p> <ul style="list-style-type: none">• Discussion regarding deployment of security personnel, devices, or systems.
ATTACHMENTS:	None