UTA Audit Committee Meeting

August 12, 2019

Call to Order and Opening Remarks

Safety First Minute

BE ALERT, ACCIDENTS HURT

U T A
SAFETY & SECURITY

August 2019

Approval of June 10, 2019 Audit Committee Meeting Minutes

Recommended Action (by acclamation)

Motion to approve

Internal Audit Update

Audit Plan Status Update

2019 Internal Audit Plan Status

Audit/Preliminary Assessment	Timing	Executive	Status
State of Good Repair	Q1	COO	Completed
Budget Management	Q1	CFO	Completed
Cash Management	Q2	CFO	Completed
Maintenance of Way (Infrastructure)	Q2	COO	Reporting
Data Access	Q2	Interim Executive Director	On hold*
Payroll	Q3	CFO	On schedule*
Grants Management	Q3	Acting CSDO	Fieldwork
Accounts Payable	Q4	CFO	On schedule*
Maintenance of Way (Systems)	Q4	COO	On schedule˜

* Audit is on schedule to be performed as planned

˜ Timing of preliminary assessment dependent on progress with restructuring

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Audit Recommendations Compliance

Audit Recommendations Compliance - Audits

Audit	Findings			Planned action date
	Total Findings	**Findings addressed**	**Findings in progress/ not started**	
Family Medical Leave Act	4	4	0	-
Business Continuity/Disaster Recovery	10	10	0	-
Data Centers	5	5	0	-
Sales Tax Collections & Reporting	1	1	0	-
Davis-Bacon Compliance	1	1	0	-
Grants Management	6	6	0	-
Procurement	19	19	0	-
Transit Oriented Development	15	15	0	-

Audit Recommendations Compliance - Audits

Audit	Findings			Planned action date
	Total Findings	**Findings addressed**	**Findings in progress/ not started**	
IT General Controls	14	14	0	-
Purchase Card Compliance	15	15	0	-
Operating & Ridership Reporting	8	7	1	Q4, 2019
Treasury Management	6	6	0	-
Inventory Management	8	6	2	Q3, 2019
Vanpool Operations	14	7	7	Q4, 2019
National Transit Database	5	2	3	Q4, 2019
Cash Management	8	6	2	Q3, 2019
Total	**139**	**124**	**15**	

Audit Recommendations Compliance - Assessments

Assessment	Findings			Planned action date
	Total Findings	Findings addressed	Findings in progress/ not started	
Accounts Payable	8	1	7	Q4, 2019
Grants Management	7	6	1	Q4, 2019
Payroll	7	7	0	-
State of Good Repair	11	0	11	Q4, 2019
Budget Management	6	0	6	Q1, 2020
Total	**39**	**14**	**25**	

2019 SURVEY RESULTS

2019 SURVEY RESULTS

- 46 Participants invited:
    - Board of Trustees
    - Interim Executive Director
    - All Executives
    - Board Director
    - Risk and Compliance Officer
    - Employees that participated in internal audits in 2018 and 2019

- Survey was anonymously administered by the People Office

- Open for 3 weeks & 25 responses were received

- Main learnings from survey results:
    - Assessment of risk is sometimes inconsistent between Internal Audit and management
    - Policies and Standard Operating Procedures focus
    - Time commitment to address areas for improvement is challenging
    - Seen as a policing function by some employees
    - Performance audits are requested

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Internal Audit Report Review

PRELIMINARY ASSESSMENTS

- Grants Management Preliminary Assessment (R-18-02)
- State of Good Repair Preliminary Assessment (R-19-01)

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Grants Management Preliminary Assessment

- Preliminary assessment: *03/01/2017 – 02/28/2018*
- Audit in process of completion

Audit Scope	
• Governance	• Closeouts
• Grant approvals	• Federal Financial Report and Milestone Progress Report review
• Contracting and payments	• Grant asset tracking
• Drawdowns	• Accounting

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Grants Management Preliminary Assessment

- Governance of Grants Management Process
- Asset Tracking
- Coordinated Mobility
- Disposals
- Formula Grants
- Procurement
- Accounting

State of Good Repair Preliminary Assessment

- Preliminary assessment: *01/01/2018 – 12/31/2018*

Audit Scope	
Included	**Excluded**
• Governance	• Asset replacement costs
• Transit Asset Management Plan	• Management decisions regarding TAM Plan recommendations
• Asset information completeness, accuracy, and validity	• ERP System Asset Records
• Data consolidation and reporting	• Asset Management Application Asset Records
• Continuing control related to SGR	
• Asset Management Software	

State of Good Repair Preliminary Assessment

- Alignment with FTA Guidance

- Continuing Control

- Roles and Responsibilities

- Separation of Duties

- Capital Asset Inventory Records

- Performance Measures and Performance Targets

- Asset Replacement Costs

- Estimating Capital Needs

- Investment Prioritization

- Reporting

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Other Business

Next Meeting: October 21, 2019 at 3:00 p.m.

Adjourn