

Meeting of the
Utah Transit Authority 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



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| 1. Call to Order & Opening Remarks | Chair Carlton Christensen |
| 2. Safety First Minute | Sheldon Shaw |
| 3. Approval of June 10, 2019 Audit Committee Meeting Minutes | Chair Carlton Christensen |
| 4. Internal Audit Update
a. Internal Audit Survey Results | Riana De Villiers |
| 5. Internal Audit Report Review
a. Grants Management Preliminary Report
b. State of Good Repair Preliminary Report | Riana De Villiers
Brian Ledbetter |
| 6. Other Business
a. Next meeting: October 21, 2019, 3:00 p.m. | Chair Carlton Christensen |
| 7. Adjourn | Chair Carlton Christensen |

Public Comment: Members of the public are invited to provide comment during the general comment period at UTA's Board of Trustee meetings. Comment may be provided in person or online through www.rideuta.com. Additionally, public comment may be taken at committee meetings at the discretion of the committee chair. In order to be considerate of time and the agenda, comments are limited to 2 minutes per individual, or 5 minutes for a spokesperson designated to represent a group.

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.

BE ALERT, ACCIDENTS HURT





**Minutes of the Meeting
of the
Utah Transit Authority Audit Committee
held at UTA FrontLines Headquarters located at
669 West 200 South, Salt Lake City, Utah
June 10, 2019**

Audit Committee Members Present:

Carlton Christensen, Chair
Beth Holbrook
Jeff Acerson
Troy Walker (via telephone)

Audit Committee Members Excused/Not in Attendance: Kent Millington

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 3:06 p.m. with three committee members present.

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

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

Member Walker joined the meeting at 3:15 p.m. via telephone.

2018 Comprehensive Annual Financial Report (CAFR) Presentation. Bob Biles, UTA Chief Financial Officer, was joined by Troy Bingham, UTA Comptroller, and Steven Rowley with Keddington & Christensen, UTA's independent outside internal audit firm. Mr. Rowley summarized items included in the independent auditor's report on the CAFR, such as compliance, internal controls, equipment inventory tracking, and the state compliance audit. Mr. Rowley indicated that following its review, his firm issued an unmodified report (e.g. clean report) stating that UTA complied in all material respects to state requirements as referenced in the report for the fiscal year ending December 31, 2018. Discussion ensued. Questions on differing year ends of component units of the State, equipment inventory

reconciliation, and UTA's asset tracking system were posed by the committee and answered by Mr. Rowley and staff.

A motion to accept the 2018 Comprehensive Annual Financial Report and forward it to the board for approval was made by Member Acerson and seconded by Trustee Holbrook. The motion carried unanimously.

Internal Audit Update. Riana de Villiers, UTA Chief Internal Auditor spoke about the status of the 2019 Internal Plan and agency compliance to internal audit recommendations.

Internal Audit Report Review. Riana de Villiers, UTA Chief Internal Auditor, was joined by Brian Ledbetter, UTA Senior Internal Auditor, Mr. Biles, and Mr. Bingham.

National Transit Database (NTD) Report. Ms. de Villiers summarized the audit scope. Mr. Ledbetter spoke about findings associated with governance, accuracy of data, review of data and documentation, timely reporting of vanpool data, and close-out. Management then spoke to some of the items included in the report. Discussion ensued. Questions on queries from the Federal Transit Administration on NTD submissions, annual reconciliation on monthly reporting, accuracy of the information included in the NTD, and progress on automating processes were posed by the committee and answered by staff.

Treasury Management Report. Ms. de Villiers provided an overview of the audit scope. Mr. Ledbetter reviewed findings associated with policies and procedures, bank accounts, bonds, leases, investments, and contracts and agreements. Management spoke about policies and procedures designed to address the audit findings. Discussion ensued. Questions on lease payments and reconciliation of payments on leases were posed by the committee and answered by staff. A clarification was made that "leases" in the report refers to vehicle leases and not real estate leases.

Accounts Payable Preliminary Report. Ms. de Villiers spoke about the audit scope. Discussion ensued. Mr. Ledbetter spoke about areas with findings in the preliminary report, including governance, general invoice processing, three-way match invoices, two-way match invoices, standard invoices, vendor payments, employee reimbursement, and vendor management. Management provided a response. Questions on the possibility for automation, fraud mitigation, and purchase card rebates were posed by the committee and answered by staff.

Other Business.

Next Meeting. The next audit committee meeting is tentatively scheduled for August 12, 2019 at 3:00 p.m.

Adjournment. The meeting was adjourned at 4:22 p.m. by motion.

Transcribed by Cathie Griffiths
Executive Assistant to the Board Chair
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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, audio, or video located at <https://www.utah.gov/pmn/sitemap/notice/538807.html> for entire content.

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

UNAPPROVED

Internal Audit Survey - 2019

Monday, August 12, 2019

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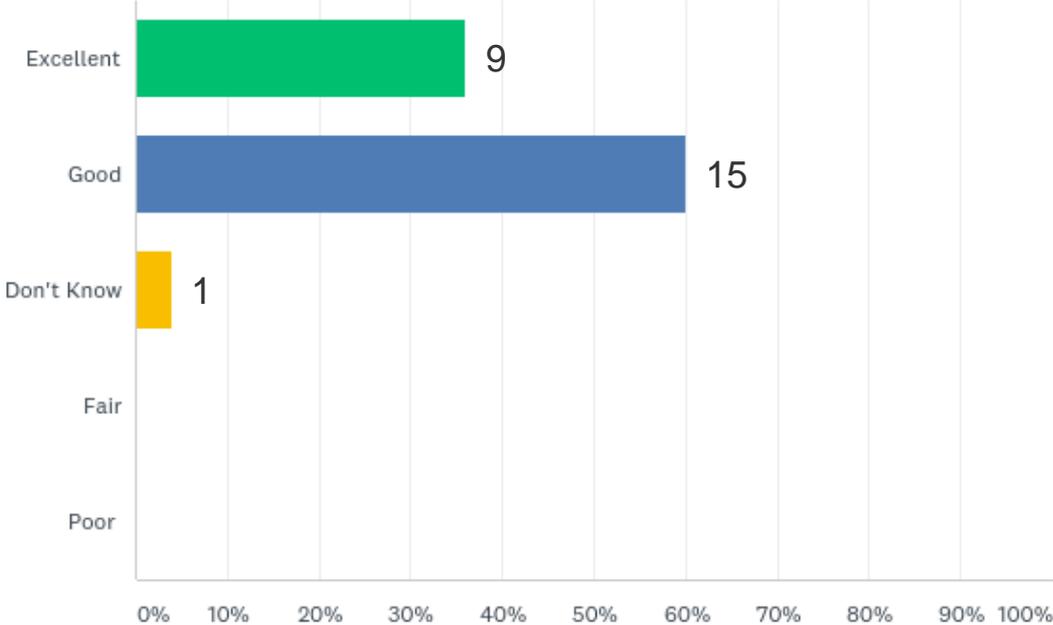
Total Responses

Date Created: Wednesday, May 08, 2019

Complete Responses: 23

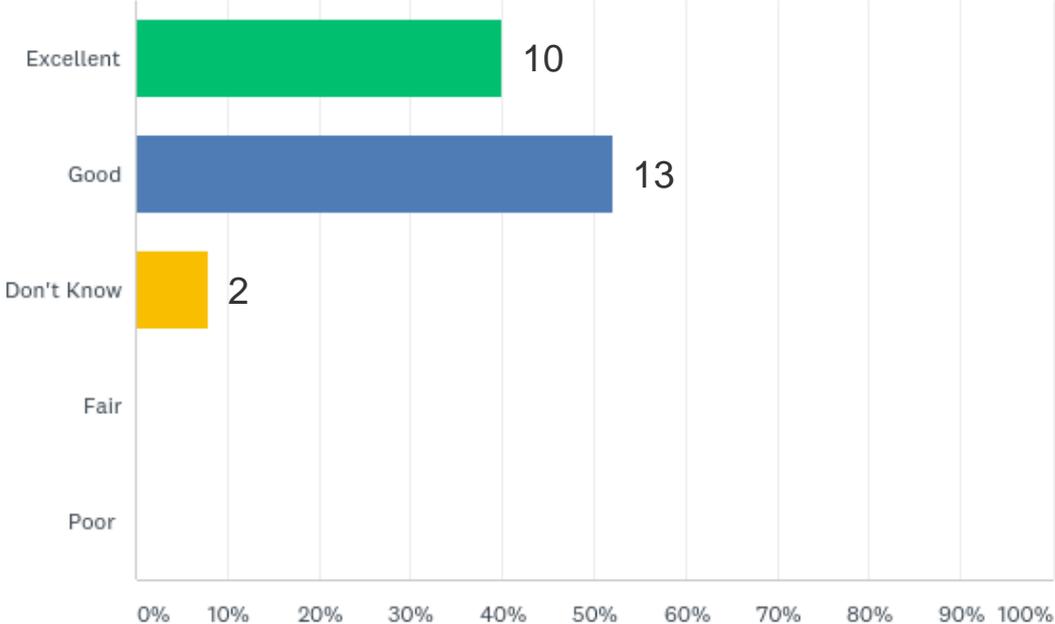
Q1: Please rate your understanding of Internal Audit's role at UTA.

Answered: 25 Skipped: 0



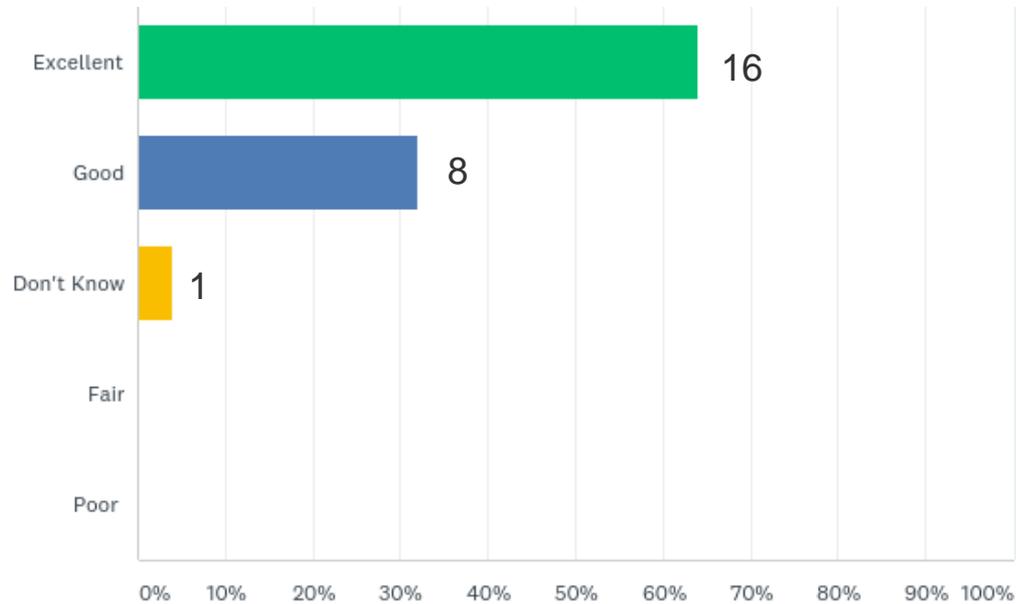
Q2: Please rate the objectivity of the internal auditors.

Answered: 25 Skipped: 0



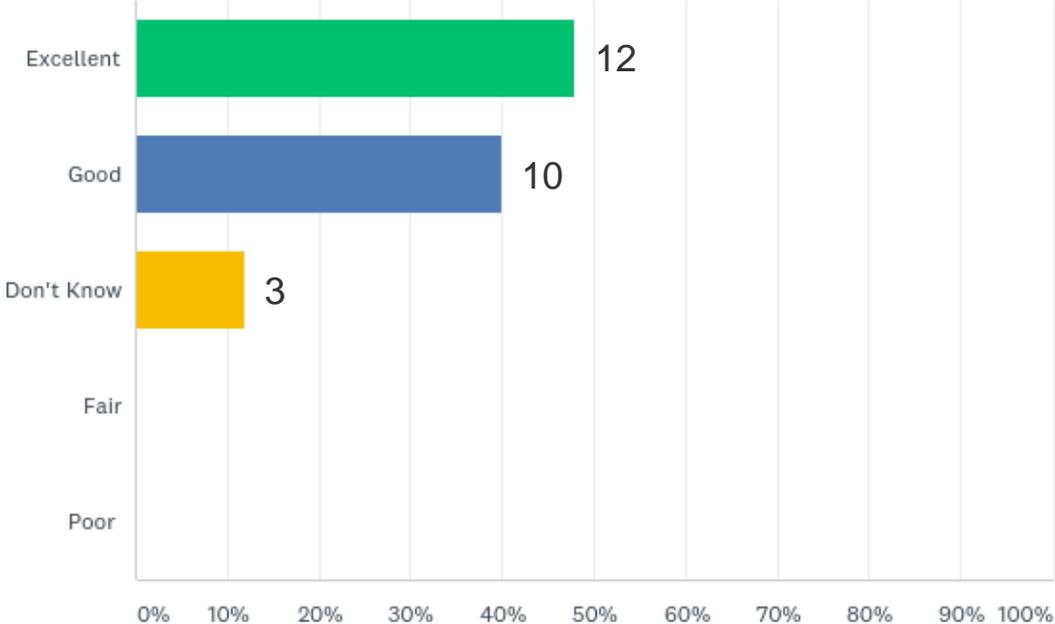
Q3: Please rate the professionalism of the internal auditors to form judgments independently without bias or influence from personal interests.

Answered: 25 Skipped: 0



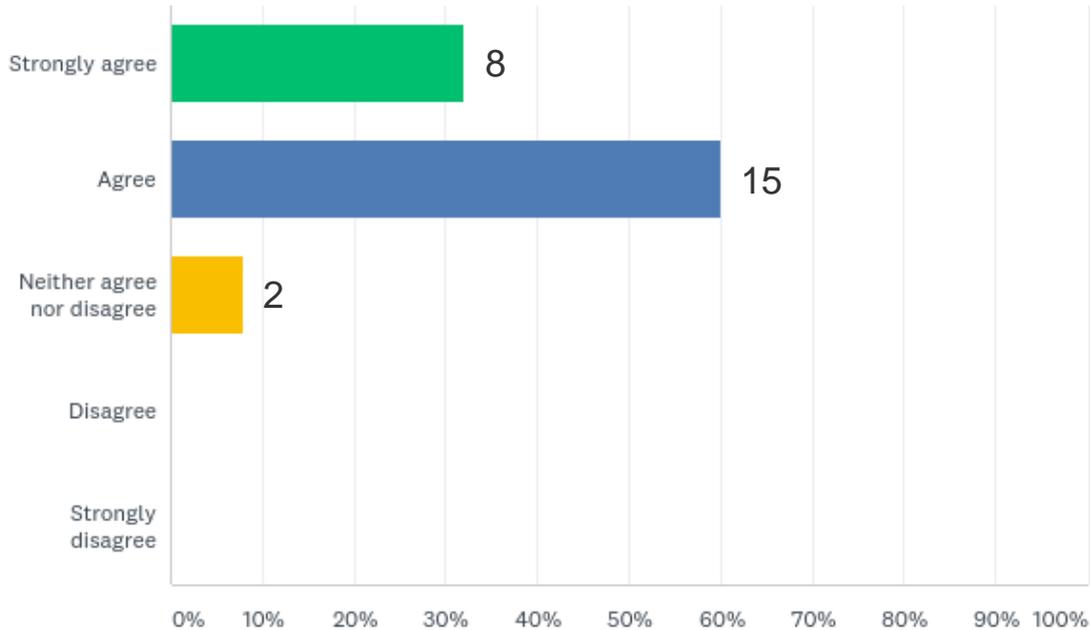
Q4: Please rate the quality of relationship and rapport of Internal Audit as a trusted advisor for your department.

Answered: 25 Skipped: 0



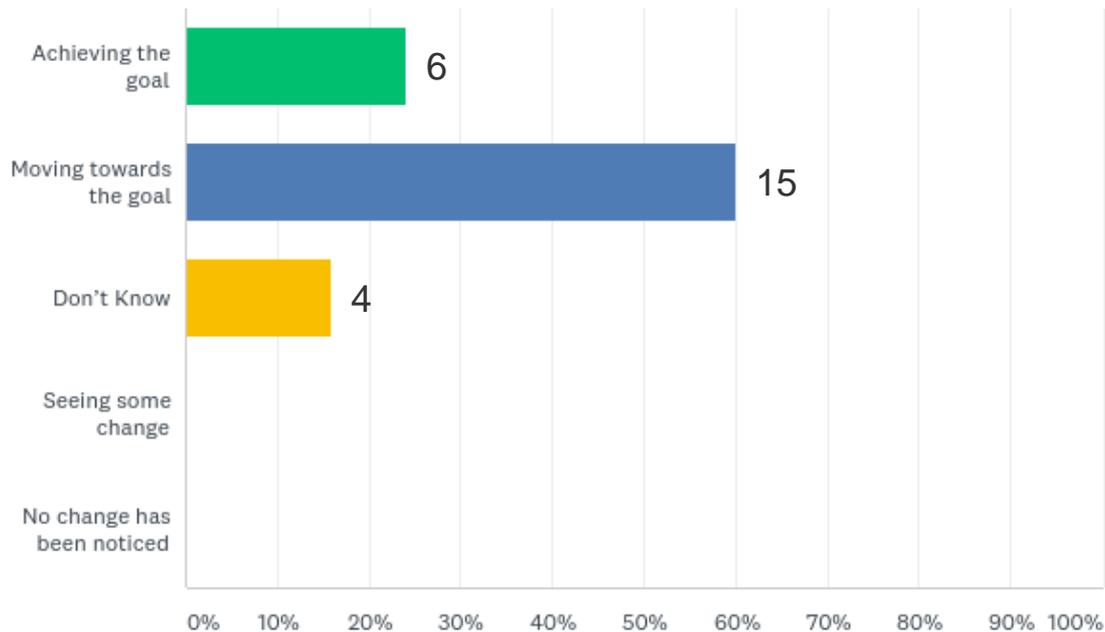
**Q5: Please rate the degree to which you believe this statement is true.
The Internal Audit Department invites an atmosphere of mutual trust and
open communication.**

Answered: 25 Skipped: 0



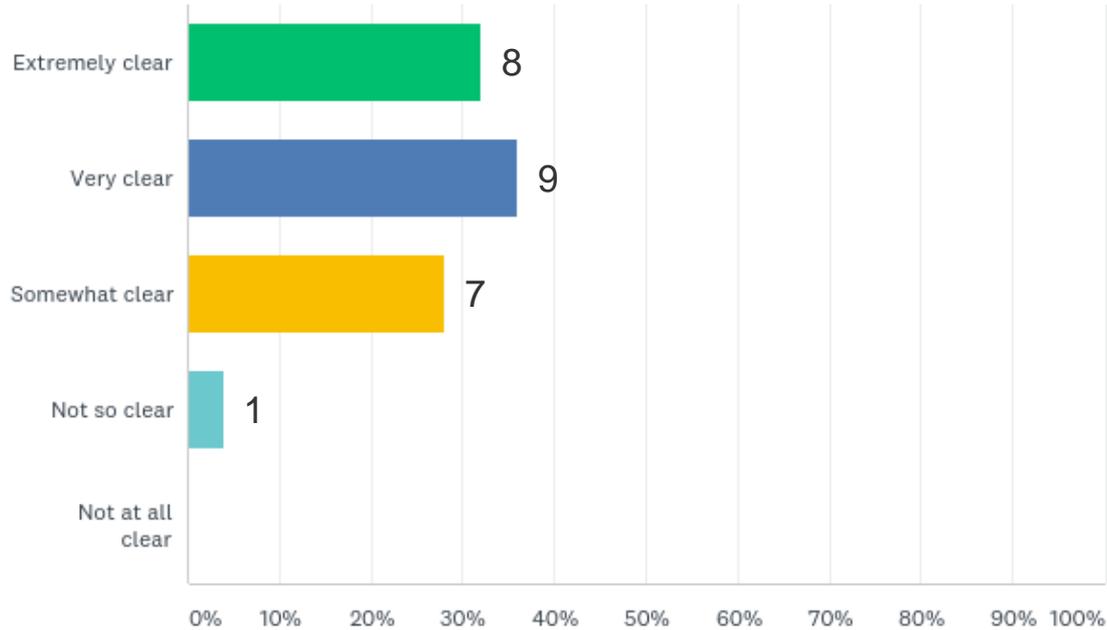
Q6: Internal Audit's goal is to become a business partner to UTA as opposed to the historical policing function. How well do you think Internal Audit is achieving this goal?

Answered: 25 Skipped: 0



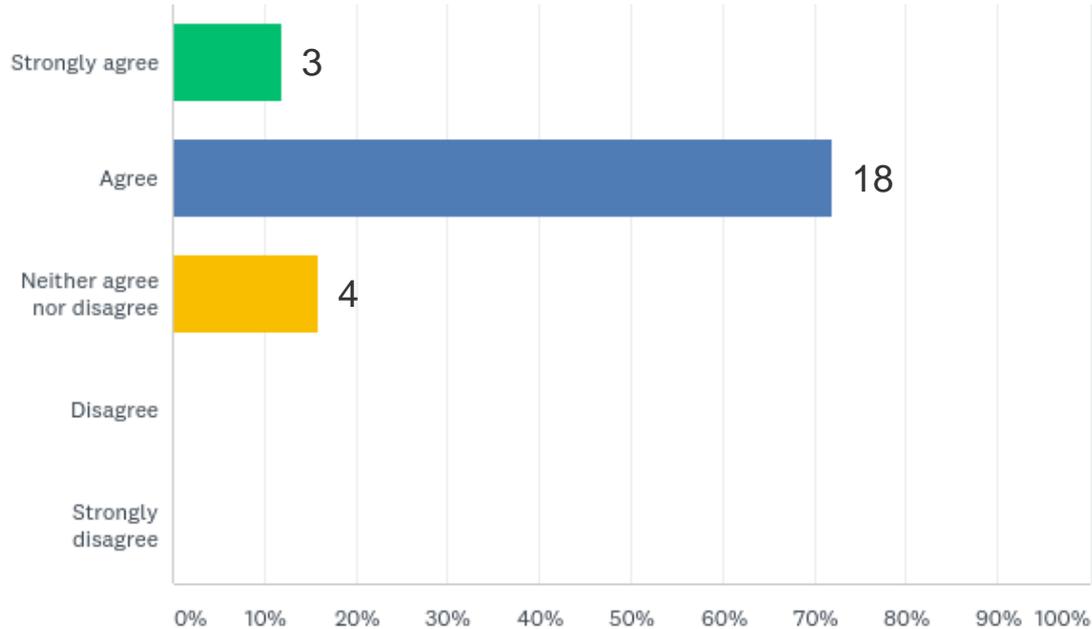
Q7: How clear are you on the difference between Internal Audit's purpose in auditing and External Audit's purpose? (FTA, FRA, ISO, etc.)

Answered: 25 Skipped: 0



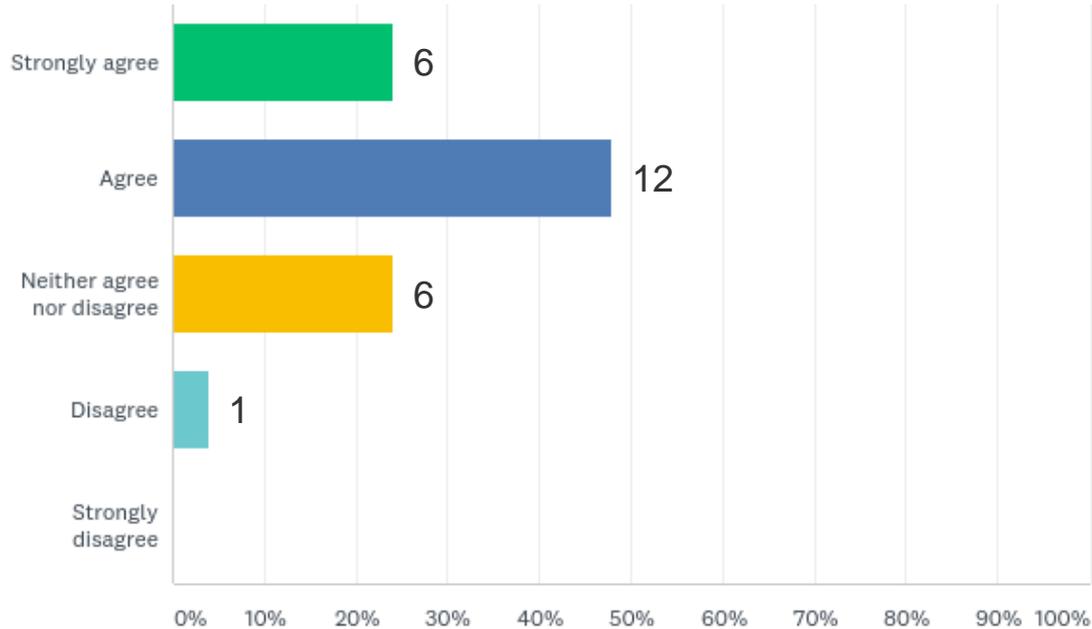
Q8: The Internal Audit Department staff displays adequate knowledge of the business processes, including critical success factors.

Answered: 25 Skipped: 0



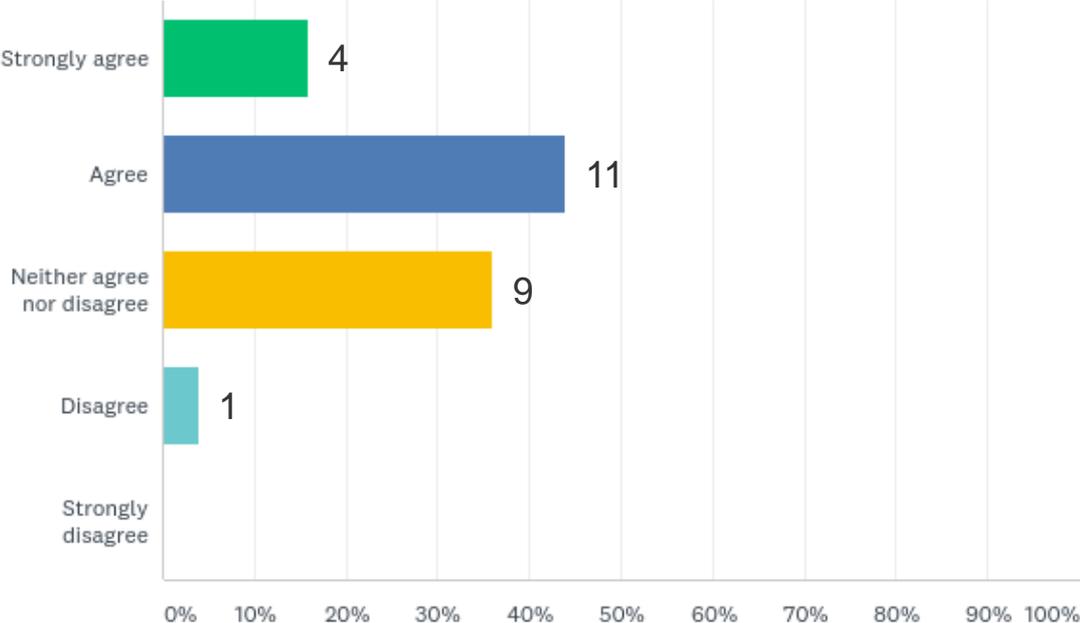
Q9: The Internal Audit Department staff is viewed as a viable source of talented individuals who can successfully transfer to other parts of our organization.

Answered: 25 Skipped: 0



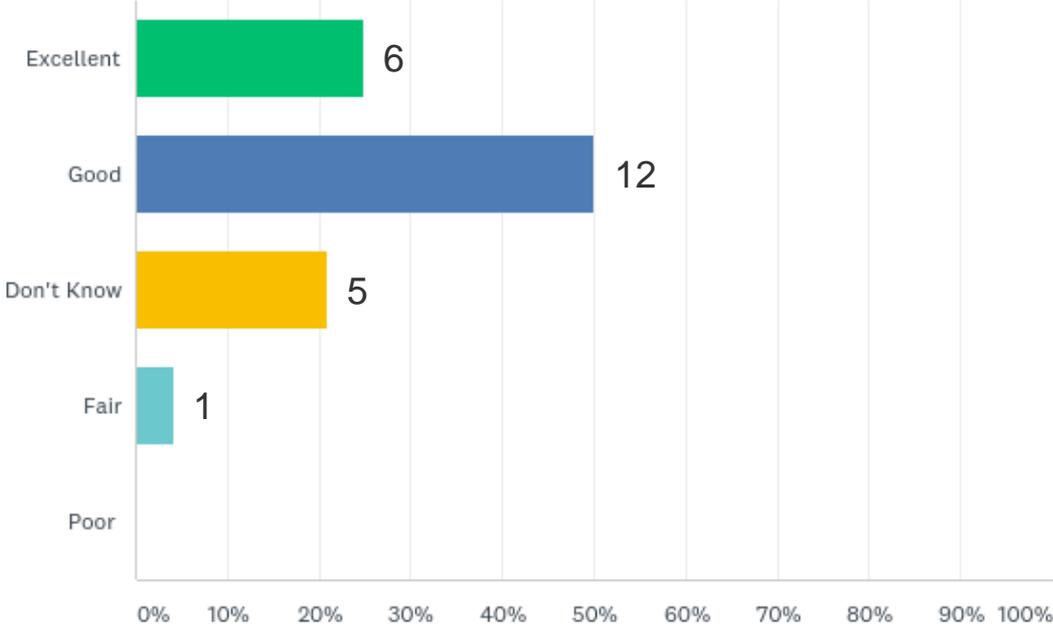
Q10: The Internal Audit Department staff keeps up to date with changes in our business, our industry, and the relevant regulatory issues.

Answered: 25 Skipped: 0



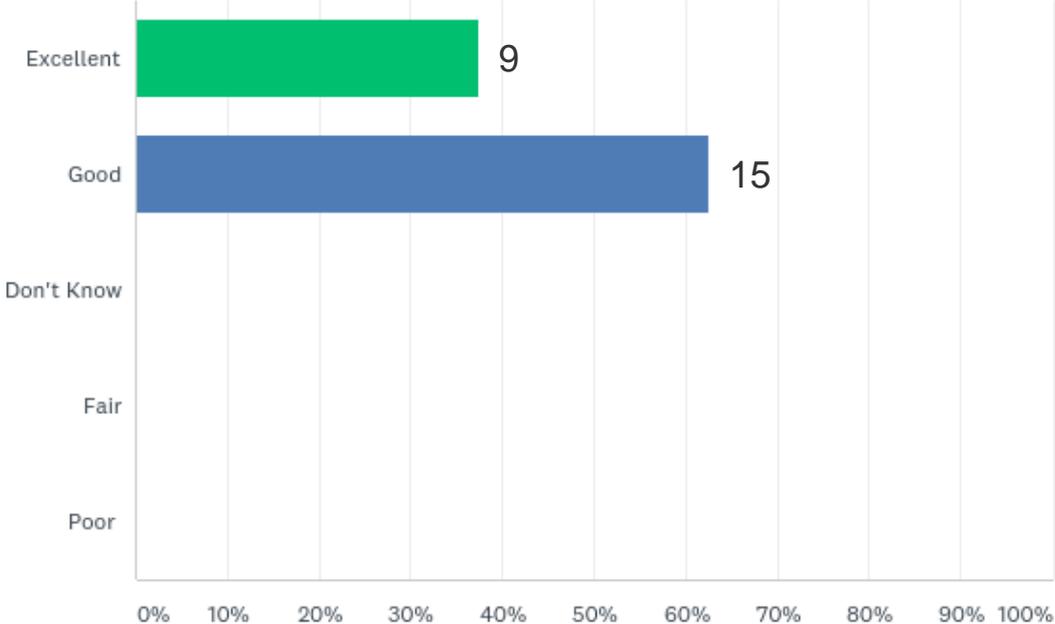
Q11: Please rate the selection of important areas or topics for the audit.

Answered: 24 Skipped: 1



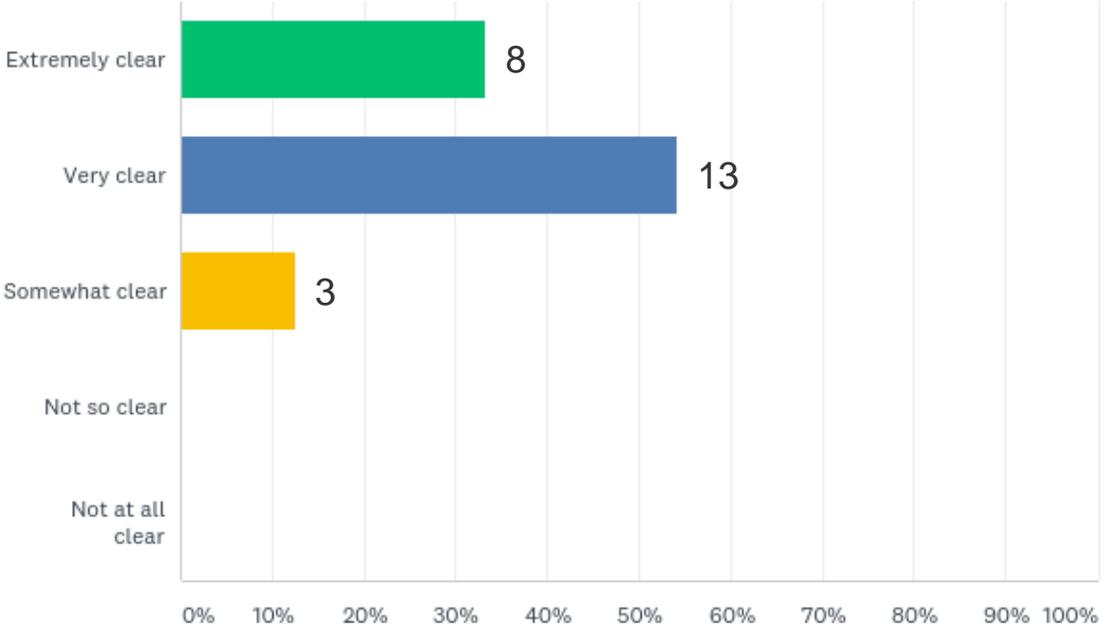
Q12: Please rate whether you received appropriate communication of the audit purpose and scope prior to the audit starting.

Answered: 24 Skipped: 1



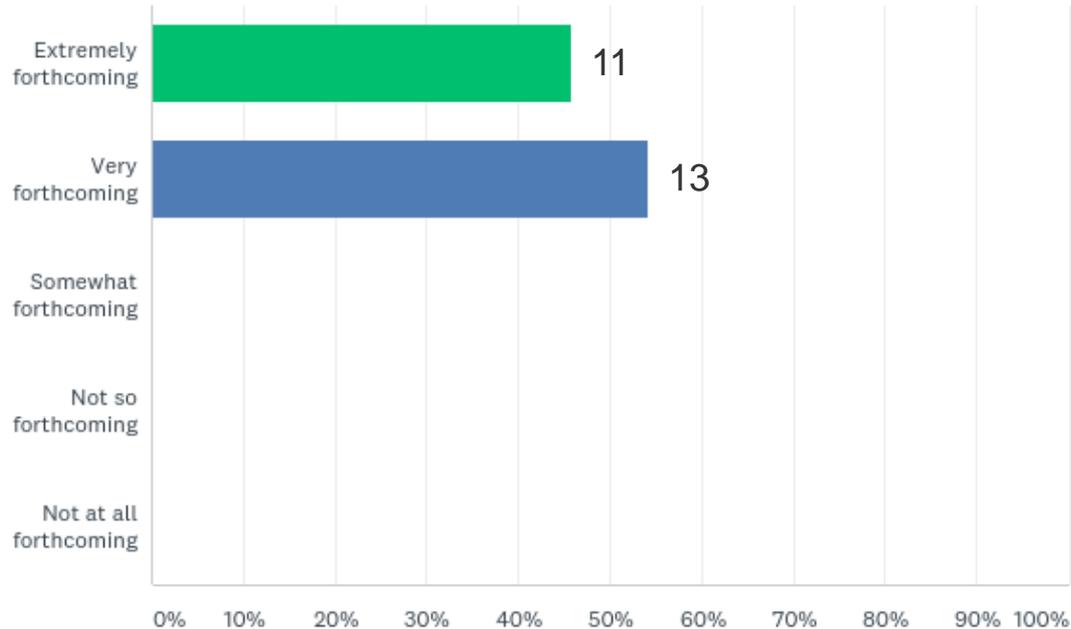
Q13: How clear was the communication from Internal Audit on documentation required to complete the audit?

Answered: 24 Skipped: 1



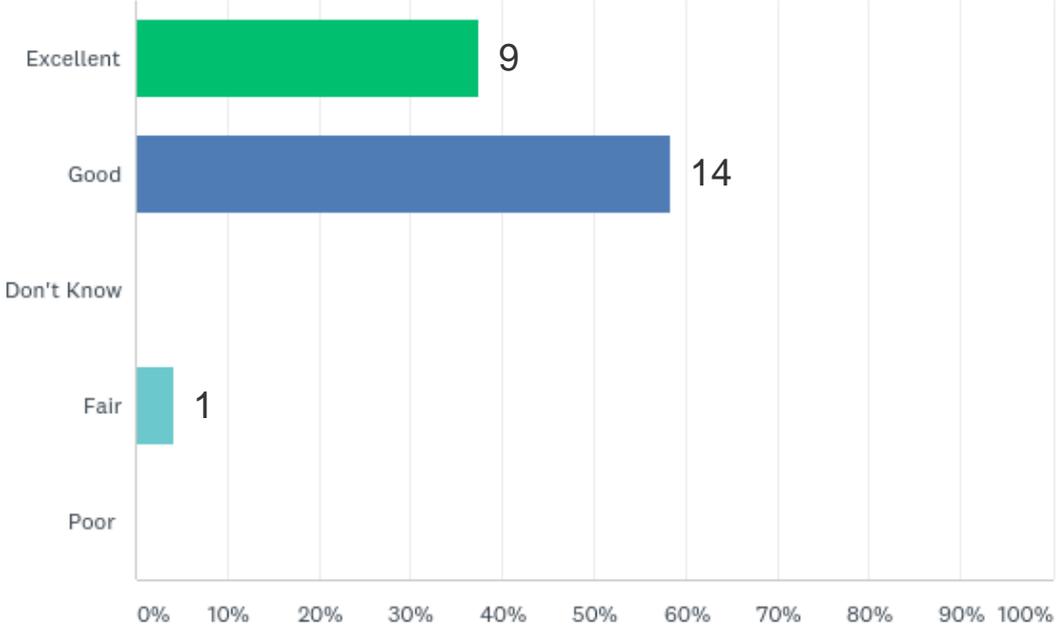
Q14: If the communication was clear, based on the previous question, how forthcoming were you with supplying the information and/or records?

Answered: 24 Skipped: 1



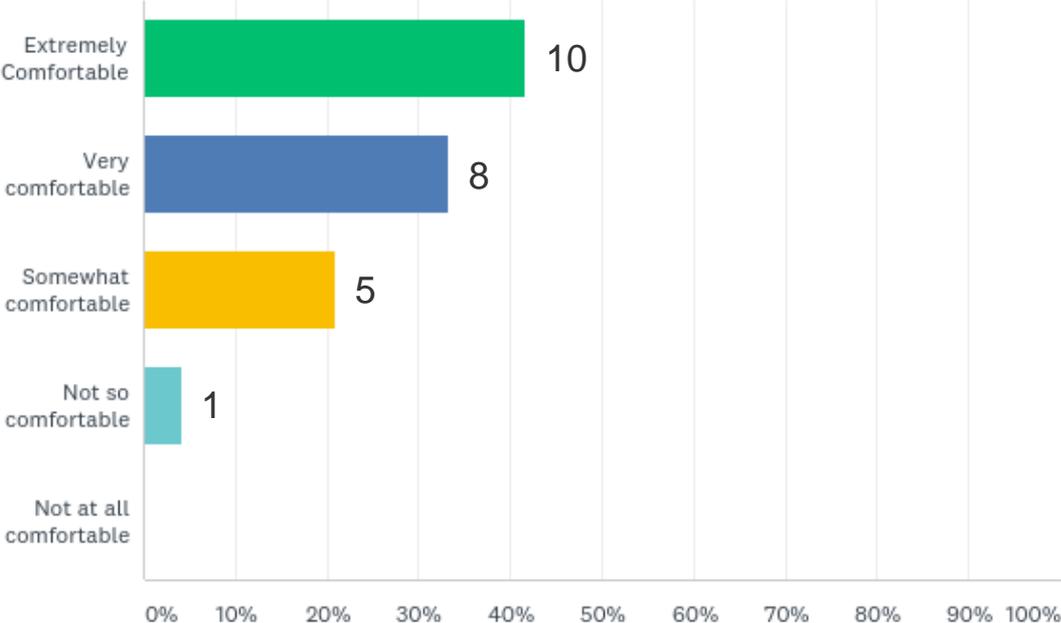
Q15: How well were you informed about the findings during the audit?

Answered: 24 Skipped: 1



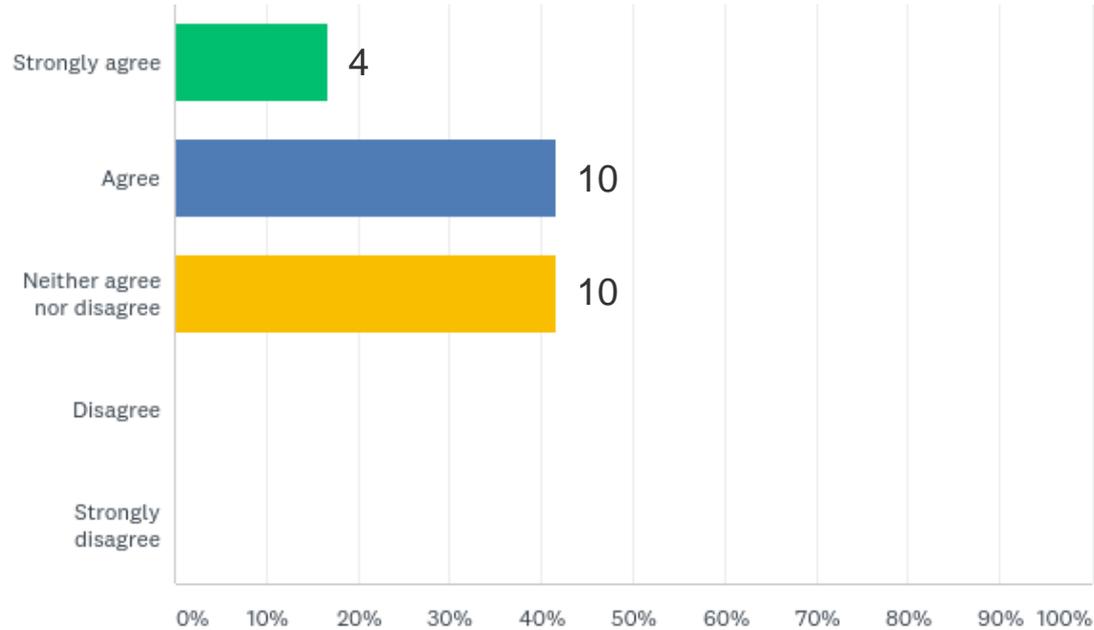
Q16: Rate your level of comfort to raise a different viewpoint or to challenge Internal Audit's assessment of risk

Answered: 24 Skipped: 1



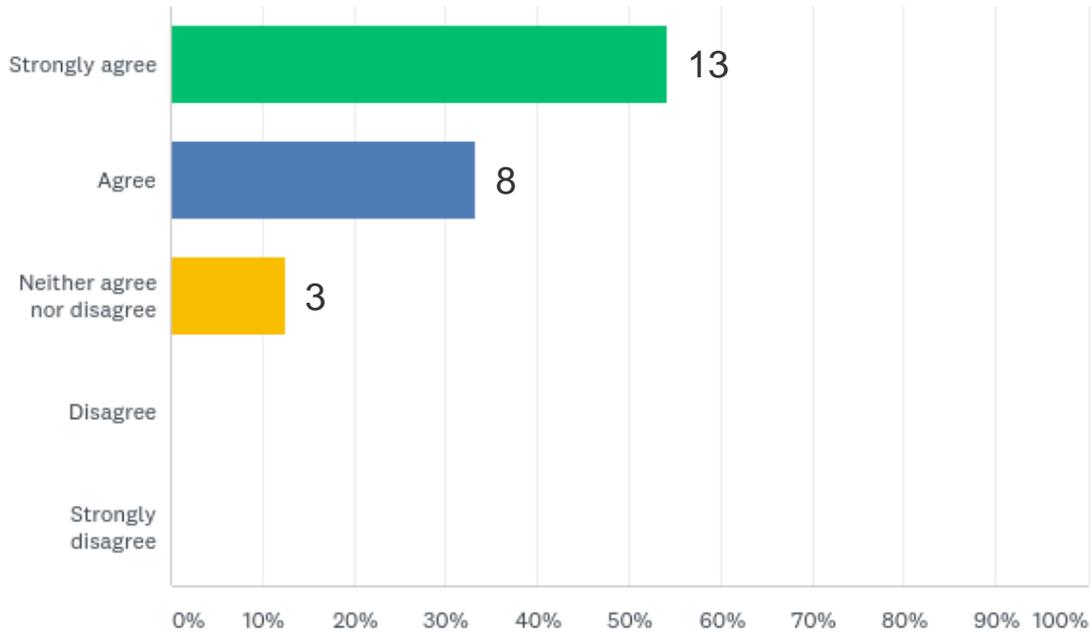
Q17: Internal Audit Department management keeps up to date with changes in our business, our industry, and the relevant regulatory issues.

Answered: 24 Skipped: 1



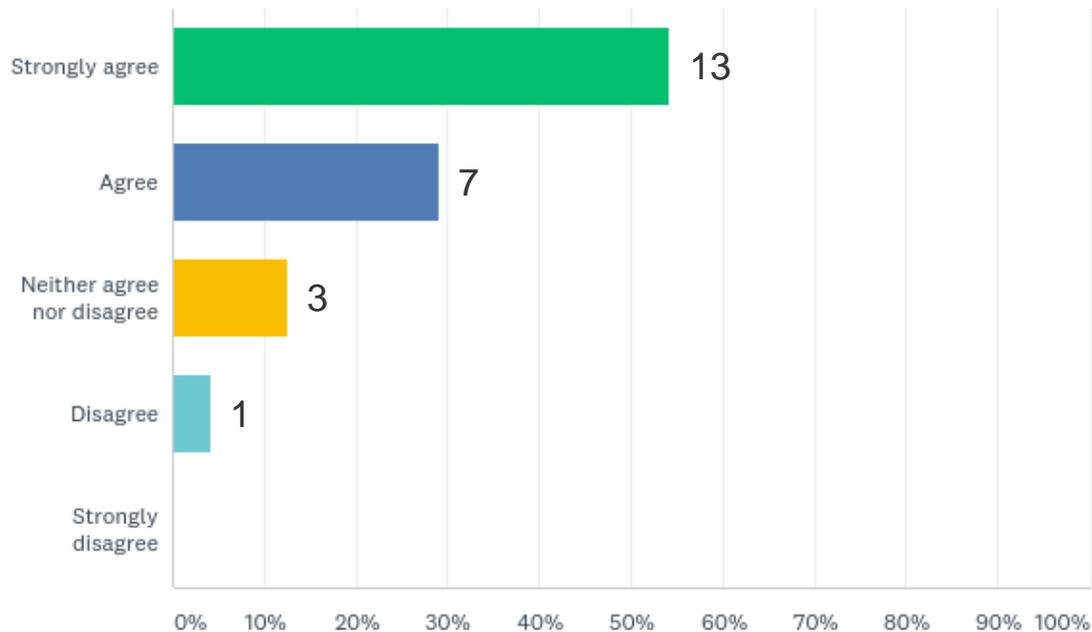
Q18: Internal Audit Department staff respects the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

Answered: 24 Skipped: 1



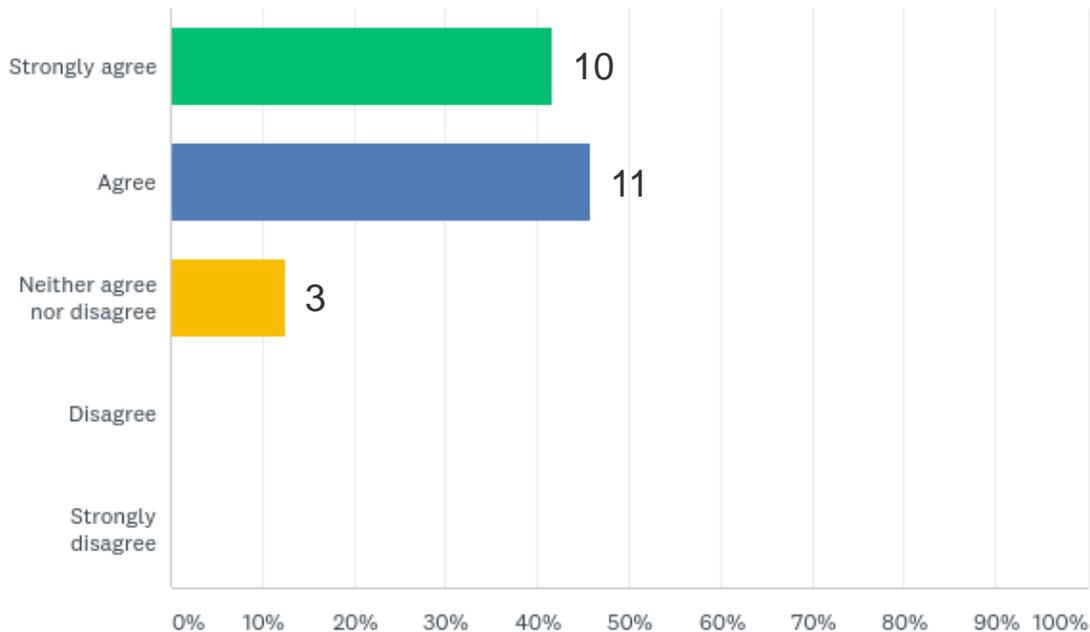
Q19: Organizational placement of the Internal Audit Department ensures its independence and ability to fulfill its responsibilities.

Answered: 24 Skipped: 1



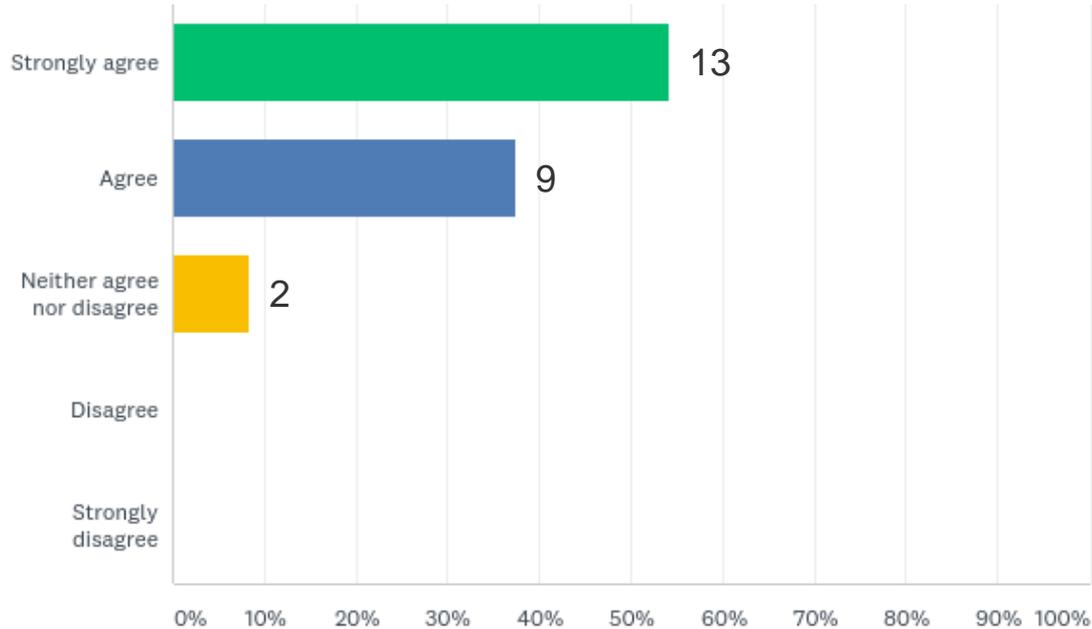
Q20: Internal Audit Department staff has free and unrestricted access to records, information, locations, and employees during the performance of their engagements.

Answered: 24 Skipped: 1



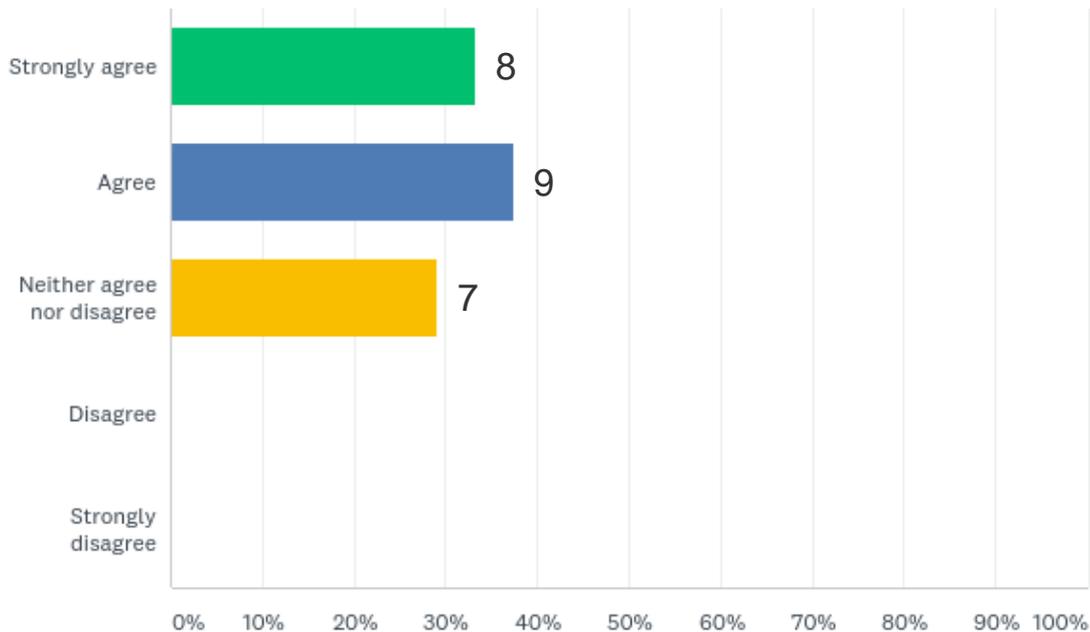
Q21: The Internal Audit Department management effectively promotes appropriate ethics and values within our organization.

Answered: 24 Skipped: 1



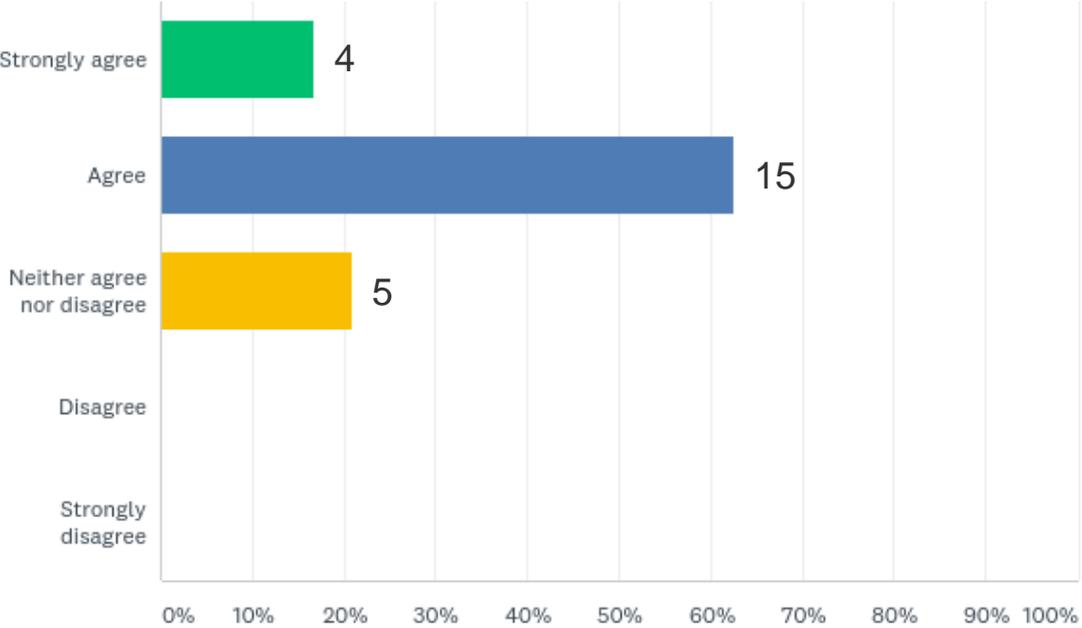
Q22: The Internal Audit Department management establishes annual audit plans to assess areas or topics that are significant to our organization and consistent with our organizational goals.

Answered: 24 Skipped: 1



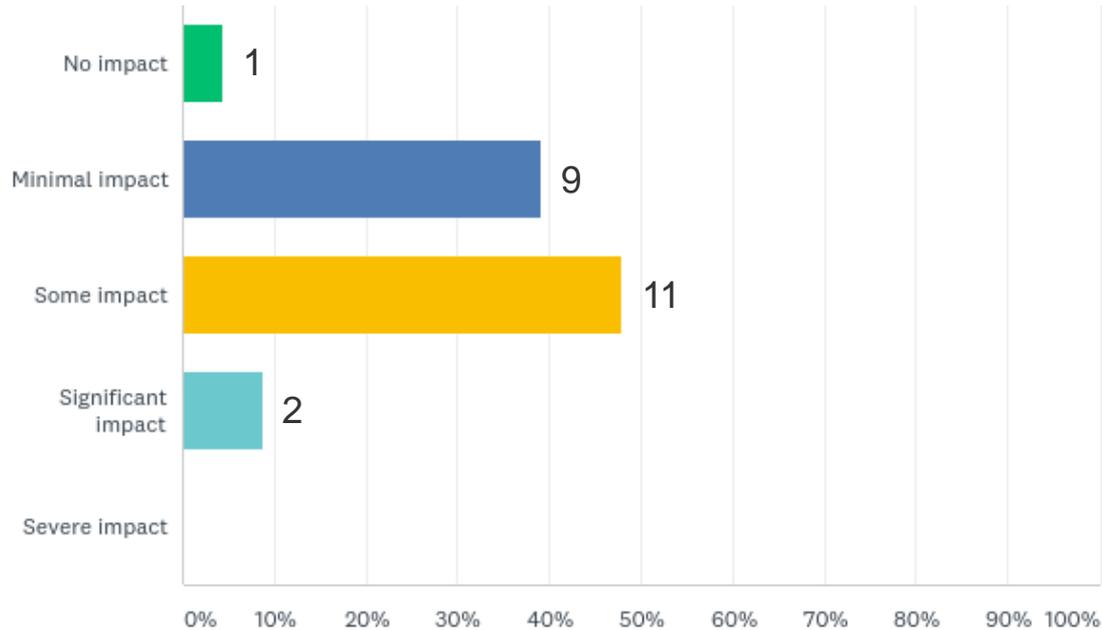
Q23: The Internal Audit Department management competently assesses the adequacy and effectiveness of our organization's system of internal controls.

Answered: 24 Skipped: 1



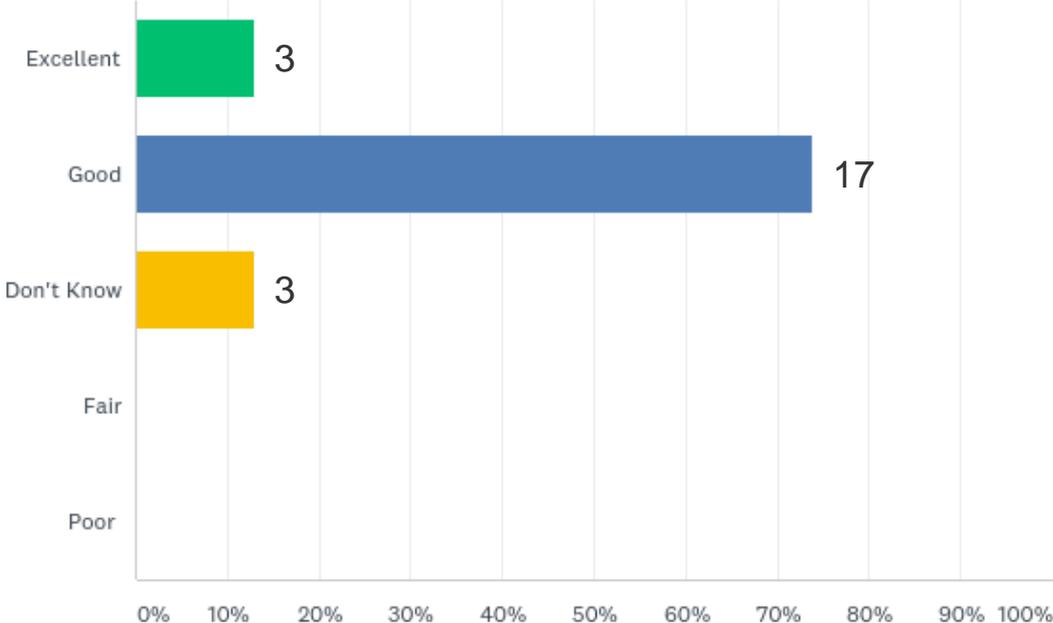
Q24: The goal of the audit is to be conducted efficiently and effectively with minimal impact to your day-to-day work. Please rate the level of impact you felt during the audit process.

Answered: 23 Skipped: 2



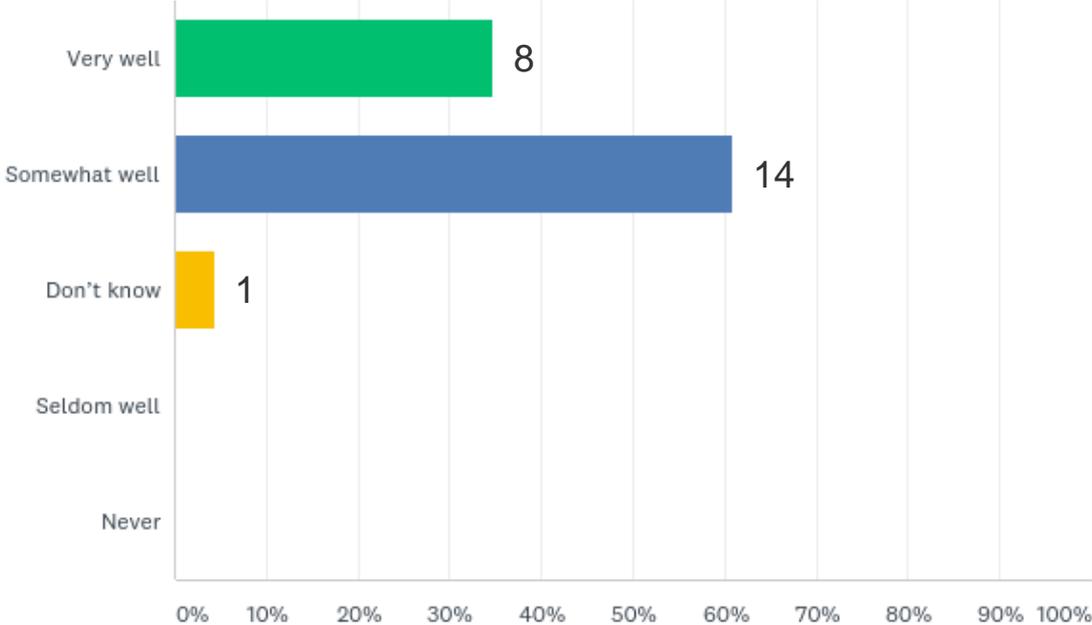
Q25: Rate the timeliness of the audit report.

Answered: 23 Skipped: 2



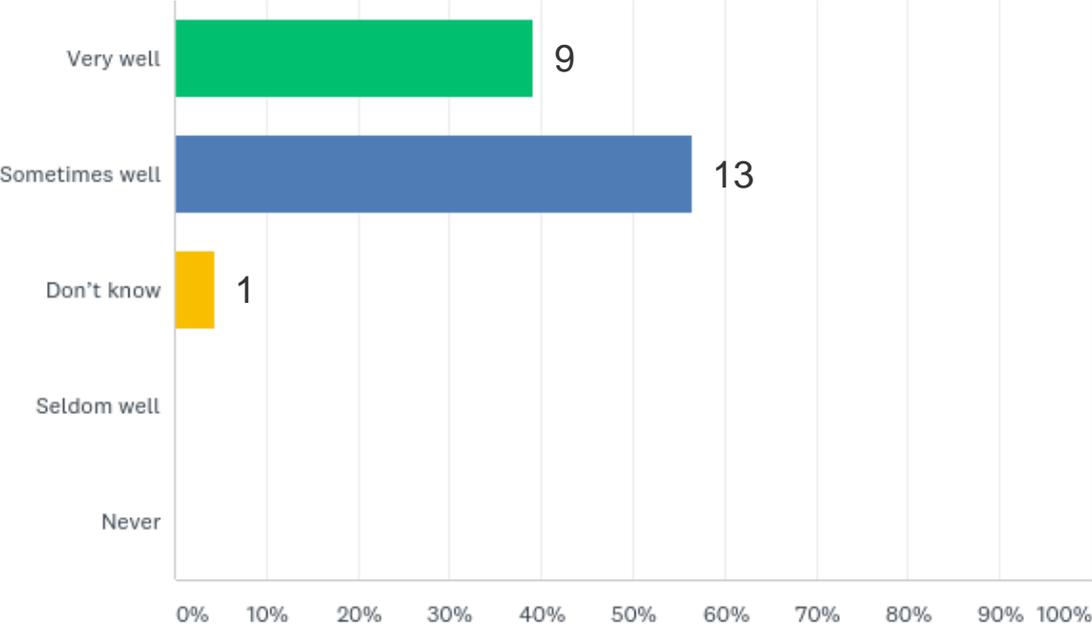
Q26: How well did the audit report reflect the risks identified and information shared by you?

Answered: 23 Skipped: 2



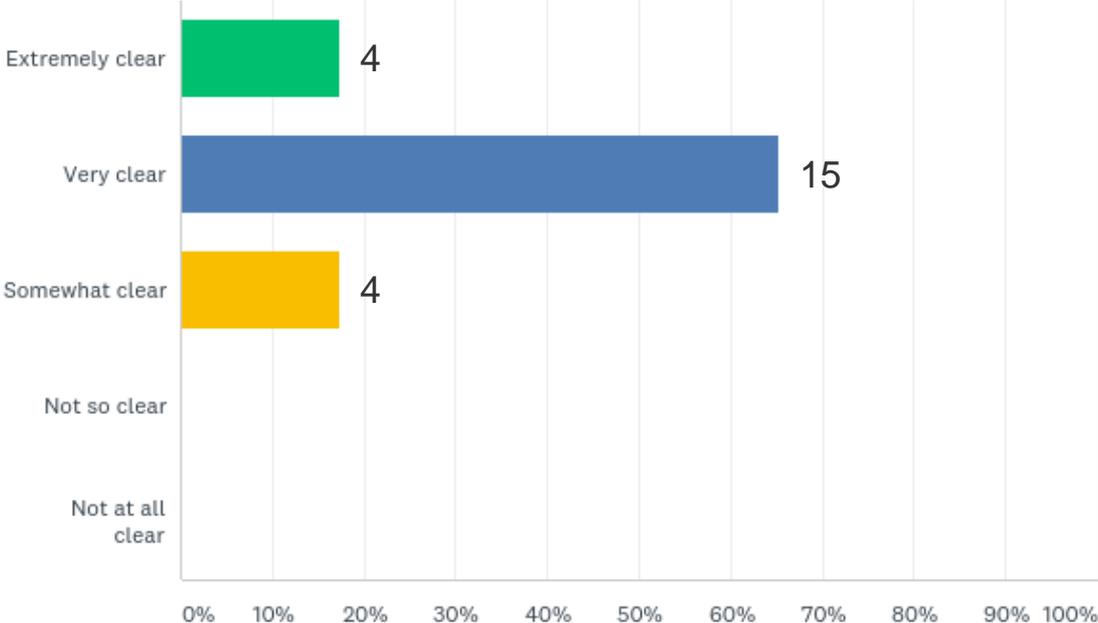
Q27: The audit report findings reflected your team's comments and corrective actions.

Answered: 23 Skipped: 2



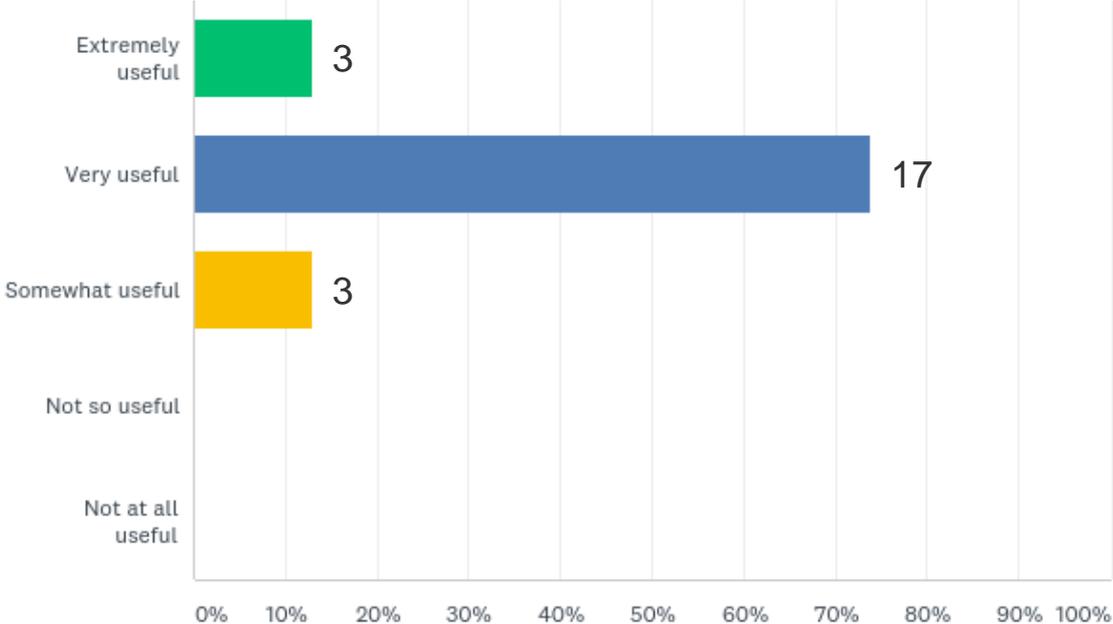
Q28: How clear was the content of the audit report?

Answered: 23 Skipped: 2



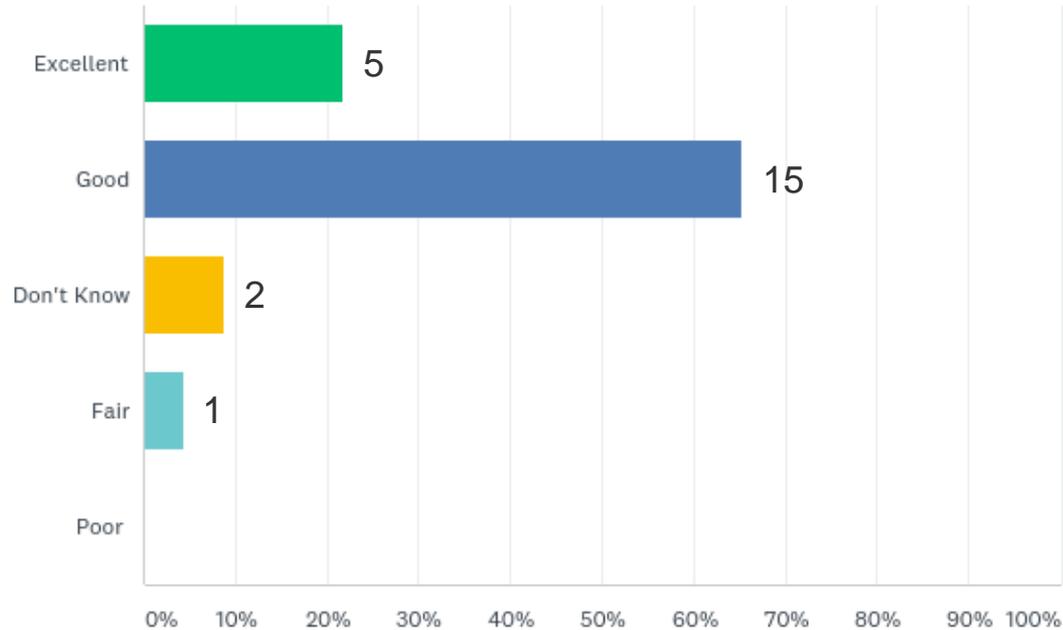
Q29: How useful was the audit in improving business process and controls?

Answered: 23 Skipped: 2



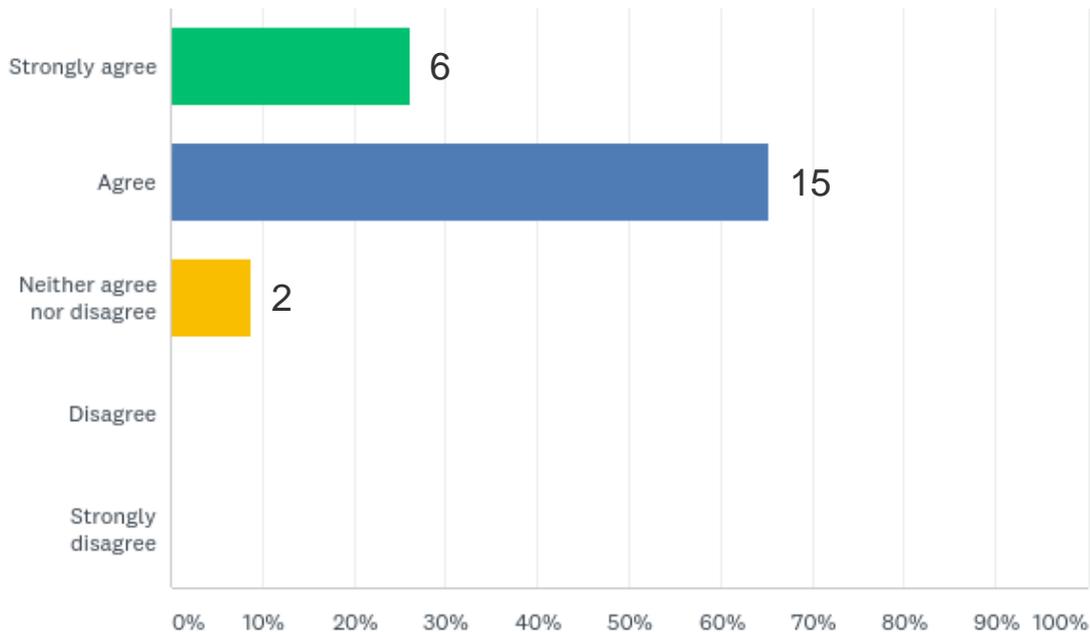
Q30: How effective was the audit in identifying risks that management was not aware of?

Answered: 23 Skipped: 2



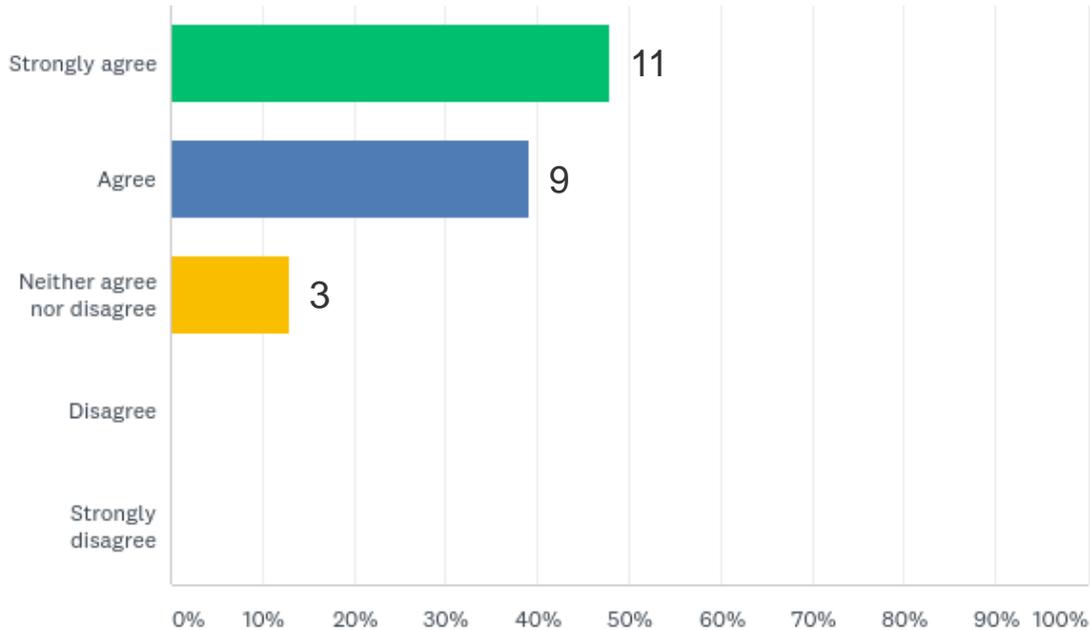
Q31: The Internal Audit Department demonstrates sufficient knowledge of key information technology risks and controls in performing its audit engagements.

Answered: 23 Skipped: 2



Q32: The internal audit staff demonstrates sufficient knowledge of fraud to identify “red flags,” indicating possible fraud when performing their audits.

Answered: 23 Skipped: 2



Q33: Internal Audit Department management demonstrates effective conflict-resolution and negotiating skills.

Answered: 23 Skipped: 2

