



Minutes of the Regular Meeting of the
Utah Transit Authority (UTA) Audit Committee
Monday, August 24, 2020, 3:00 p.m.
**held remotely via phone or video conference
and broadcast live for the public via YouTube**

Audit Committee Members Participating:

Carlton Christensen, Chair
Beth Holbrook
Kent Millington
Karen Cronin
Troy Walker

Also attending were members of UTA staff and outside presenters.

Call to Order and Opening Remarks. Chair Christensen welcomed attendees and called the meeting to order at 3:01 p.m. The Utah Transit Authority Electronic Board Meeting Determination Statement was read by Jana Ostler, UTA Board Manager.

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

Consent. The consent agenda was comprised of:

- Approval of June 22, 2020 Audit Committee Meeting Minutes

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

2019 National Transit Database (NTD) Agreed Upon Procedure Report. Troy Bingham, UTA Comptroller, informed that, per Board of Trustee Policy 2.1, an annual review of the NTD submission was conducted by representatives from Keddington & Christensen LLC. The report outlines what was reviewed and details four findings that UTA needs to improve for future NTD submissions. Mr. Bingham highlighted the findings for the Committee and commented on how

they are being addressed by the agency. Mr. Bingham anticipates that the findings will be resolved and not be found deficient in the future.

Revised 2020 Audit Plan Approval. Ron Ellis, UTA Director of Internal Audit, reviewed the audit plan for ongoing scheduling of assignments and asked that a Recruitment and Retention Audit be dropped from the 2020 plan and a Capital Projects audit be added. Mr. Ellis requested that the committee approve the change.

The committee asked questions regarding the timeline and prioritization for audit projects. Discussion with staff ensued about reasons for the change.

A motion to approve was made by Member Cronin and seconded by Member Millington. The motion carried unanimously.

Internal Audit Update. Mr. Ellis gave an update on the 2020 internal audit activities. The data access preliminary assessment and contract management preliminary assessment are complete and will be reported on later in the meeting. The transit oriented development preliminary assessment is in the reporting stage. The budget management audit and maintenance of way infrastructure audit are both in the report drafting stage. The grants management follow up audit and maintenance of way systems preliminary assessment are both in progress. Information technology, business continuity, and disaster recovery will be outsourced. The state of good repair audit will begin in September 2020.

The committee asked questions about the state of good repair schedule and Mr. Ellis answered with discussion.

Mr. Ellis gave an update on the status of open items for all current audits. Findings for cash management, grants management, inventory management, operating and ridership reporting, and treasury management have been remediated and closed. Findings for all other audits are in progress or have been adequately addressed. Mr. Ellis informed the committee that audit findings should be addressed by the end of the year, but the reporting may go into 2021.

The committee asked questions about the payroll and accounts payable findings which were answered by Mr. Bingham.

Mr. Ellis gave an update on the implementation of the ethics policy and training, as well as an update on the Auditboard software and training. Discussion on the Auditboard software ensued.

Internal Audit Report Review

Contract Procurement Preliminary Assessment Report. Mr. Ellis presented the preliminary assessment results, which indicated that the procurement contract review and approval process required establishing limits on users who have Laserfiche access. Mr. Ellis also noted there were instances where SOPs need to be updated to align with current procedures and best practices.

Committee members asked questions about contracts and controls, as well as Laserfiche limitations. Mr. Ellis and Todd Mills, UTA Senior Supply Chain Manager, responded with discussion.

Data Access Preliminary Assessment Report. Mr. Ellis presented the preliminary assessment results, noting that the most significant issue identified was that developers have access to make changes to production databases without the assigned database administrator's knowledge. This can result in inaccurate data and troubleshooting issues. It was also noted that users who are transferred to other areas may maintain access they no longer need.

Discussion ensued. Committee members asked questions about progress correcting the database access issues which were answered by Dan Harmuth, UTA IT Director.

Other Business.

Next Meeting. The next audit committee meeting is scheduled for Monday, October 19, 2020 at 3:00 p.m.


Adjournment. The meeting was adjourned at 3:48 p.m. by motion from Member Holbrook, with a second by Member Walker.

Transcribed by Stephanie Withers
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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/623675.html> for entire content.

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

Approved Date: October 19, 2020

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Carlton J. Christensen
Chair, Board of Trustees