Meeting of the
Utah Transit Authority Audit Committee

Wednesday, February 13, 2019, 3:00 p.m.
Utah Transit Authority Headquarters
669 West 200 South, Salt Lake City, Utah
Golden Spike Conference Rooms

1.	**Call to Order & Opening Remarks**	**Chair Carlton Christensen**
2.	**Pledge of Allegiance**	**Chair Carlton Christensen**
3.	**Safety First Minute**	**Sheldon Shaw**
4.	**2019 Audit Plan**	**Riana De Villiers**
5.	**2018 Fourth Quarter Audit Report**	**Riana De Villiers**
6.	**Other Business** a. Next meeting:	**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 calldredge@rideuta.com or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.

Website: https://www.rideuta.com/Board-of-Trustees
Live Streaming: https://www.youtube.com/results?search_query=utaride

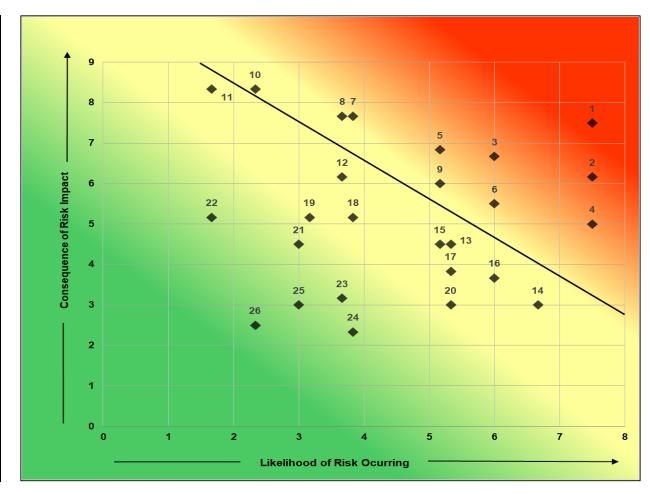# Turn off you vehicle's cruise control so YOU are in control of your vehicle.

February 2019

SAFETY FIRST

2019 INTERNAL AUDIT PLAN

February 13, 2019

Risk Assessment Results

Rank	Risk Name
1	Human Capital
2	Leadership
3	Budget and Planning
4	Knowledge Capital
5	Health and Safety
6	Compliance
7	Liquidity / Cash Flow
8	Access
9	Business Interruption
10	Service Failure
11	Catastrophic Loss
12	Customer Satisfaction
13	Infrastructure
14	Technological Innovation
15	Sensitivity
16	Organizational Culture
17	Image Branding
18	Stakeholder Relations
19	Capital Availability
20	Data Integrity
21	Industry
22	Regulatory
23	Customer Wants
24	Contract Commitment
25	Succession Planning
26	Regulatory Reporting

Draft 2019 Internal Audit Plan

Risk	Audit	Planned Scope
Human Capital	Payroll	The audit to focus on governance˜, HR employee master files, timekeeping, payroll processing and payment, and general ledger reconciliations. The audit will include adequacy of documentation, reviews, and approvals throughout the payroll process.
Leadership	*General scope item*	
Budget & Financial Planning	Budget Management*	The Budget management preliminary assessment to focus on the areas of governance˜ as well as the inputs, calculations, reports, and progress tracking related to the budgeting process. In addition, the IT general controls for the Budget application and database is to be included in the assessment.
Knowledge Capital	*General scope item*	
Health & Safety	*Third party assurance*	
Compliance	Grants Management	Based on the findings of the initial assessment the audit will focus on governance˜, asset tracking and disposal, formula grants, as well as Coordinated Mobility department oversight of sub-recipients of 5310 grant funds. Additionally, procurement and accounting processes related to grants management will also be reviewed.
Liquidity/Cash Flow	Accounts Payable	The audit will focus on the preliminary assessment findings regarding governance˜, invoice processing, vendor payments and management, as well as employee reimbursement payments. The audit will include approvals, review, and documentation support throughout the accounts payable process.
	Cash Management	Based on findings of the preliminary assessment the audit will focus on governance˜, fare collections for all modes, cash receipting and depositing, management reporting, and accounting for fare collections. The audit will also include physical controls, maintaining a chain of custody, documentation, reviews, and approvals throughout the cash management process.

Access	Data Access and Security*	The preliminary assessment to focus on data governance˜, data protection and classification, network access through active directory, access to sensitive applications and databases. The assessment to also include authorizing users, establishing, monitoring, maintaining and deactivating user accounts.
Business Interruption	*2016 Internal Audit*	
Service Failure	State of Good Repair*	The preliminary assessment to focus on governance˜, the asset inventory application and database (Bentley) information technology general controls, the Transit Asset Management (TAM) plan, asset information completeness, accuracy, and validity, data consolidation and reporting, and continuing control related to SGR.
	Maintenance of Way*	The Maintenance of Way (MOW) preliminary assessment to focus on the areas of governance˜ and federal regulation as well as the operational processes of maintenance and condition assessment of rail infrastructure, as well as contract management. Additionally, the assessment to consider the development and training of employees and inventory, which support the MOW process.

* Preliminary Assessment

˜ Governance refers to assurance on aspects such as policies and procedures, authority, ownership, and segregation of duties of the process(es)

4 Year Internal Audit Plan

2016	2017	2018	2019*
Business Continuity/Disaster Recovery Audit	Business Continuity/Disaster Recovery follow-up	Accounts Payable Preliminary assessment	Accounts Payable
Data Centers Audit	Data Centers follow-up	Cash Office Preliminary assessment	Cash Office
Davis-Bacon Compliance Audit	Davis-Bacon Compliance follow-up	Payroll Preliminary assessment	Payroll
Family Medical Leave Act Audit	Family Medical Leave Act follow-up		Budget Management Preliminary assessment
Grants Management Audit	Grants Management follow-up	Grants Management Preliminary assessment	Grants Management
IT General Controls Preliminary assessment	IT General Controls Audit		State of Good Repair Preliminary assessment
Passenger Fares and Collection Preliminary Assessment	Passenger Fares and Collection Audit		Maintenance of Way Preliminary assessment
Procurement Preliminary Assessment	Procurement Audit		Data Access & Security Preliminary assessment
Purchase Card Compliance Preliminary Assessment	Purchase Card Compliance Audit		
TOD Preliminary Assessment	TOD Audit		
Sales Tax Collections and Reporting Audit	Treasury Preliminary assessment	Treasury Audit	
	Vanpool Operations Preliminary assessment	Vanpool Operations Audit	
	National Transit Database Preliminary assessment	National Transit Database Audit	
	Operating and Ridership Reporting Preliminary assessment	Operating and Ridership Reporting Audit	
*Proposed	Inventory Management Preliminary assessment	Inventory Management Audit	

2018 Fourth Quarter Audit Report

February 13, 2019

Audit Recommendations Compliance

Audit	Findings			Planned action date
	Total Findings	Findings addressed	Findings in progress	
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	
IT General Controls	14	14	0	
Purchase Card Compliance	15	15	0	
Operating & Ridership Reporting	8	7	1	Q1, 2019
Treasury Management	6	4	2	Q1, 2019
Inventory Management	8	1	7	Q2, 2019
Vanpool Operations	14	3	11	Q2, 2019
National Transit Database	5	2	3	Q4, 2019
Total	**131**	**107**	**24**	