



INTERNAL AUDIT

Limited Scope Assessment of Covid Stimulus Funding

R-22-03

February 28, 2023

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Rating Matrix

Descriptor	Guide
High	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
Medium	Matters considered being important to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within six months.
Low	Matters considered being of minor importance to the maintenance of internal control or good corporate governance or that represents an opportunity for improving the efficiency of existing processes. These matters should be subject to agreed remedial action and further evaluation within twelve months.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Financial Officer		*	
Comptroller		*	
Chief Service Development Officer		*	
Records Manager			*

¹For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit finding.

Executive Summary

Introduction

The Audit Committee directed Internal Audit (“IA”) to conduct an engagement over Covid Stimulus Funding to determine that calculations and drawdown amounts are materially correct. This engagement is considered a limited scope preliminary assessment and was conducted in accordance with the International Standards for the Professional Practice of Internal Audit, published by the Institute for Internal Auditors.

Background and Overview

In response to the economic impact of the Covid-19 pandemic, the United States federal government issued three stimulus fundings; The Coronavirus Aid, Relief, and Economic Security Act (“CARES”); Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (“CRRSA”); and The American Rescue Plan Act of 2021 (“ARPA”). UTA was awarded funding through each of these acts. Amounts are shown in the table below¹.

Relief Act	FTA Section	Urbanized Area	Amount
ARPA	5310	Ogden--Layton, UT	\$ 72,535
	5310	Provo--Orem, UT	\$ 48,216
	5310	Salt Lake City--West Valley City, UT	\$ 127,284
		ARPA 5310 Sub-Total	\$ 248,035
	5309	OGX Project	\$6,254,183
		ARPA 5309 Sub-Total	\$6,254,183
	5307	Ogden-Layton, UT	\$ 38,143,636
	5307	Provo-Orem, UT	\$ 21,189,816
	5307	Salt Lake City-West Valley City, UT	\$ 108,443,995
		ARPA 5307 Sub-Total	\$ 167,777,447
ARPA UTA GRAND TOTAL			\$ 174,279,665
CRRSAA	5310	Ogden--Layton, UT	\$ 72,534
	5310	Provo--Orem, UT	\$ 48,216
	5310	Salt Lake City--West Valley City, UT	\$ 127,282
		CRRSAA 5310 Sub-Total	\$ 248,032
	5307	Ogden-Layton, UT	\$ 760,201

¹ Table was originally prepared by the UTA Capital Development department.

	5307	Provo-Orem, UT	\$ 2,226,234
	5307	Salt Lake City-West Valley City, UT	\$ 30,597,668
		CRRSAA 5307 Sub-Total	\$ 33,584,103
CRRSAA UTA GRAND TOTAL			\$ 33,832,135
CARES	CARES did not provide any 5310 funds		
	5307	Ogden-Layton, UT	\$ 49,428,793
	5307	Provo-Orem, UT	\$ 25,655,102
	5307	Salt Lake City-West Valley City, UT	\$ 112,091,799
CARES UTA GRAND TOTAL			\$ 187,175,694
TOTAL OF ALL COVID RELIEF FUNDS - UTA			\$ 395,287,494

These funds were used to reimburse UTA for operating related expenditures, minus certain offsets, including fares collected. Typical costs drawn down against these grants included salary, benefits, and fuel costs.

Objectives and Scope

The engagement scope was focused on reviewing amounts drawdown against the ARPA 5307 funds, which corresponds approximately to July 2021 through June 2022. A prior external audit primarily covered CARES and CRSSA spending.

The objectives of the audit were to determine a) the accuracy of drawdown amounts; b) the allowability of drawdown costs; c) verify that the same costs were not claimed multiple times; d) completeness of drawdown against awarded amount. Testing procedures were applied to provide reasonable, but not absolute, assurance on these four audit objectives.

Summary

The following points summarize the audit findings and correspond to the audit objectives a) no material errors were found in drawdown documentation; b) no unallowable costs were detected c) no material overlap of costs claimed between ARPA and preventative maintenance grants were detected d) no concerns that UTA went materially over or under the drawdown award amount. Informal recommendations to improve the format and quality of documentation was given, but no reportable issues were noted.