



Minutes of the Regular Meeting of the  
**Utah Transit Authority (UTA) Audit Committee**

Monday, October 28, 2019, 1:00 p.m.  
Utah Transit Authority Headquarters  
669 West 200 South, Salt Lake City, Utah  
Golden Spike Conference Rooms

**Audit Committee Members Present:**

Carlton Christensen, Chair  
Beth Holbrook  
Kent Millington  
Jeff Acerson  
Troy Walker

Also attending were members of UTA staff, interested citizens, and members of the media.

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**Call to Order and Opening Remarks.** Chair Christensen welcomed attendees and called the meeting to order at 1:04 p.m.

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

**Approval of August 12, 2019 Audit Committee Meeting Minutes.** A motion to approve the August 12, 2019 Audit Committee Meeting Minutes was made by Trustee Millington and seconded by Member Acerson. The motion carried unanimously.

**Agency Report.** Carolyn Gonot, UTA Executive Director advised there was no agency report.

Chair Christensen announced that the Internal Audit Update and Internal Audit Report Review items would be switched.

**Internal Audit Report Review.**

**Operating and Ridership Report.** Riana De Villiers, UTA Chief Internal Auditor & Ethics Officer was joined by Brian Ledbetter, UTA Senior Internal Auditor and Jonathan Yip, UTA Sr. Manager Operations Analysis & Solutions. Together, they reported that between the preliminary

assessment in 2017 and the final Operating and Ridership Audit Report issued in 2018, great improvements were noted to mitigate identified risks. They reviewed items included and excluded within the scope of the report and summarized details and recommendations regarding policies and procedures, data integrity and change controls, report classification and retention, ad hoc reporting, standardization, contracts, risk assessment, and system monitoring validation.

Brief discussion ensued. Questions regarding how staff monitors the variance between the Automatic Passenger Count (APC) and manual counts for the National Transit Database (NTD), how accurate the counts are, if UTA meets the federal requirements for the counts, how special reports are classified and what their retention is were posed by the committee and answered by staff.

**Budget Management Preliminary Report.** Ms. De Villiers was joined by Mr. Ledbetter, Mary DeLoretto, UTA Acting Chief Service Development Officer, and Bob Biles, UTA Chief Financial Officer. Mr. Ledbetter advised no significant breakdowns were noted in the budgeting process. He reviewed items included and excluded within the scope of the report and summarized details and recommendations regarding governance of budget management process, operating budget, capital budget, information technology general controls, budget finalization and monitoring, and controls. Ms. DeLoretto informed the committee that draft procedures were written for the 5-Year Capital Plan in April. She noted they followed the draft procedures with the current budget and plan to refine them as needed before formalizing.

Brief discussion ensued. Questions regarding why controls need to be developed if there are no detected problems; whether the report is about the development of the budget or the management of the budget; if Capital Development is comfortable with their draft budget procedures; whether the budgeting software is adequate and facilitates staff needs; if there is a threshold for which budget adjustments are not required to come to the board; if given all the changes, staff feels a budget can be created that is accurate and useful in carrying out the function of the agency; and how reallocations within the same department are documented were posed by the committee and answered by staff.

Committee Member Troy Walker joined the meeting at 1:39 p.m.

**Internal Audit Update.** Ms. De Villiers updated the committee on the status of the 2019 Audit Plan. She reported Lena Shelton has been appointed as a new Sr. Internal Auditor with UTA and offered her a few minutes to introduce herself. Ms. De Villiers also stated she personally attended a conference recently that she felt had ideas of value for UTA which she plans to bring to the committee's next scheduled meeting.

Ms. De Villiers then provided an overview of the various internal audits including the Maintenance of Way Systems (MOW) Preliminary Assessment scheduled for the fourth quarter of 2019. Ms. De Villiers explained that MOW is undergoing a restructuring project that will affect the outcome of the audit. She feels that a more relevant and accurate audit on MOW Systems could occur after the new restructuring has had at least a few months to become established. Ms. De Villiers proposed postponing the MOW Systems Preliminary Assessment to the 2020 Audit Plan. She then invited Eddy Cumins, UTA Chief Operating Officer, and Dave Hancock, UTA Director of Asset Management, to provide a Maintenance of Way update. Together, Mr. Cumins and Mr. Hancock provided an overview of MOW's new

organizational structure and cost center functions. Following the MOW overview, questions regarding the timing of the risk analysis, the effect of reorganization on maintenance conditions, the company involved with stray current mitigation, the purpose for the standard operating procedures (SOPs), automation of SOPs, and the expected timing for this audit were posed by the committee and answered by staff.

A motion to approve moving the MOW Systems Audit from the 2019 Audit Plan to the 2020 Audit Plan as outlined by staff was made by Trustee Holbrook and seconded by Member Walker. The motion carried unanimously.

Ms. De Villiers then updated the committee on the progress of management's implementation of audit findings from previous audit reports and clarified that audit finding implementation reports come from management and are not verified by the audit department. The committee asked if the 4<sup>th</sup> quarter compliance goal is realistic, and staff responded.

**Other Business.**

**Closed Session.** A motion to close the strategy session to discuss pending or reasonably imminent litigation was made by Trustee Millington and seconded by Member Walker. The motion carried unanimously, and the committee entered closed session at 2:18 p.m.

**Open Session.** A motion to return to open session was made by Member Walker and seconded by Trustee Holbrook. The motion carried unanimously, and the committee returned to open session at 2:42 p.m.

**Adjournment.** A motion to adjourn was made by Member Acerson and seconded by Trustee Holbrook. The open meeting was adjourned at 2:42 p.m. by motion and unanimous vote.

Transcribed by Angie Olsen  
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*This document along with the digital recording constitute the official minutes of this meeting.*