

UTA Audit Committee Meeting

October 19, 2020



Call to Order and Opening Remarks

(Electronic Meeting Determination Reading)



Safety First Minute



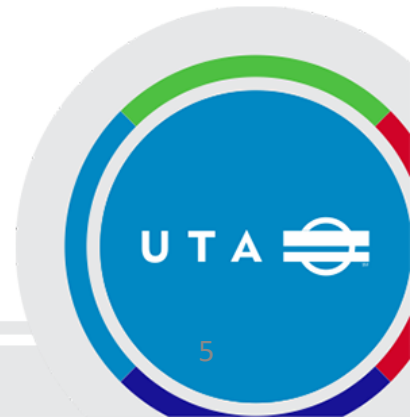
Consent

- a. Approval of August 24, 2020 Audit Committee Meeting Minutes



Recommended Action (by acclamation)

Motion to approve



External Financial Auditor Recommendation (Crowe, LLP)



Internal Audit Update



INTERNAL AUDIT PLAN STATUS



2020 INTERNAL AUDIT PLAN

Preliminary Assessment (PA) / Audit	Executive	Status
2020 Audit Plan		
Transit Oriented Development PA	CSDO	Completed
Maintenance of Way – Infrastructure Audit	COO	Completed
Budget Management – Audit	CFO	In Progress/Reporting
Grants Management - Audit	CSDO	In Progress/Reporting
State of Good Repair - Audit	COO	In Progress

CFO: Chief Financial Officer

CSDO: Chief Service Development Officer

COO: Chief Operating Officer



2020 INTERNAL AUDIT PLAN

Preliminary Assessment (PA) / Audit	Executive	Status
Capital Projects	Executive Director	In progress
Information Technology Business Continuity/Disaster Recovery	Executive Director	Sourcing a firm
Accounts Payable Audit	CFO	Planned

COO: Chief Operating Officer

CPO: Chief People Officer

CSDO: Chief Service Development Officer



OPEN ITEMS



Audit	Findings			Planned action date
	Total findings	Findings addressed	Findings in progress	
Maintenance of Way – Infrastructure	6	4	2	Q4, 2020
National Transit Database	5	3	2	Q4, 2020
Payroll	7	0	7	Q4, 2020
Vanpool Operations	14	13	1	Q4, 2020
Accounts Payable	8	0	8	Q4, 2020
Total	71	52	19	



Preliminary Assessment	Findings			Planned action date
	Total findings	Findings addressed	Findings in progress	
Transit Oriented Development	3	1	2	Q2, 2021
Data Access	4	0	4	Q4, 2020
Budget Management	10	5	5	Q2, 2020
State of Good Repair*	11	4	7	Q4, 2020
Total	23	8	15	

* Audit stage is in process and this line will be updated per results of this stage of the audit.



Open Items

- Budget Management items will be closed pending approval of SOP and completion of remaining tests.
- Payroll items are mainly dependent on the completion of the Kronos project currently scheduled for completion by November 30th
- Vanpool Operations outstanding finding is dependent on completion of a maintenance tracking software scheduled for completion by November 30th
- MOW Infrastructure Contract Authority Finding follow up testing will be addressed as part of Contract Audits



UTA ETHICS POLICY



- Publication of policy to employees
 - Formal communication completed from Executive Director
 - Learning Management System updated for BU and Non-Management Employees
 - In-person training is complete
 - Approximately 33 employees remain to take instructor led training.
 - Following up on employee acknowledgement

- Distribution and review of Financial Disclosures



AUDIT PROCESS



UTA Internal Audit

Audit Software Integration



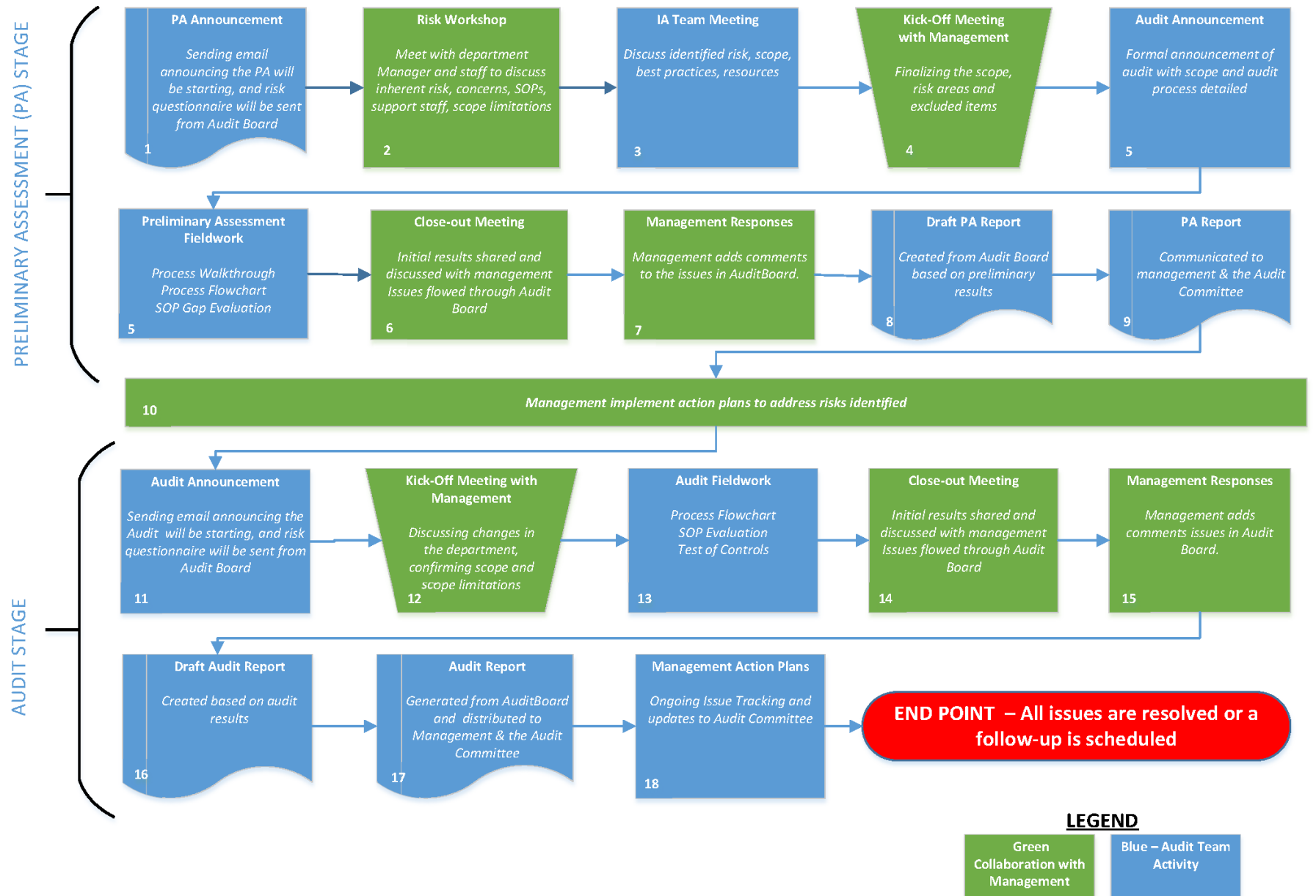
Collaborating and managing audit planning, fieldwork and reporting in one simple tool.

- Issue Tracking Roll-Out plan
 - AuditBoard trained Management with Outstanding Issues on September 17, 2020
 - For this Audit Committee Meeting, we sent the issues to Management through AuditBoard for follow up
 - Outstanding issues will be updated as we confirm implementation of corrective action



INTERNAL AUDIT PROCESS

- Risk Workshop and Kickoff Meeting may be combined.
- AuditBoard incorporated into issues management and reporting process.



UTA Internal Audit

Audit Software Integration



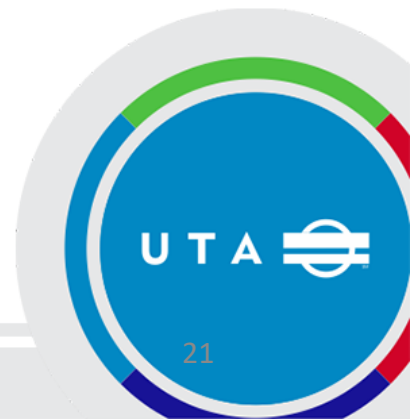
Collaborating and managing audit planning, fieldwork and reporting in one simple tool.

- Annual Risk Analysis and Audit Planning
 - Risk Analysis Survey pushed to Management where they can easily respond
 - Microsoft Business Intelligence to compile results
 - Preparation of annual risk based audit plan based on updates to risk analysis
 - Scheduling and assignments of planned audits



Internal Audit Report Review

- a. Maintenance of Way Audit Report
- b. Transit-Oriented Development Preliminary Assessment Report



Transit-Oriented Development Preliminary Assessment Report

R-20-02



Audit Scope

- | | |
|---|--|
| <ul style="list-style-type: none">Federal Monitor Recommendations from Phase II.A Interim | <ul style="list-style-type: none">Adequacy of Design of 2019 Policies and Procedures |
| <ul style="list-style-type: none">2017 TOD Internal Audit follow up | <ul style="list-style-type: none">Operation of Policies and Procedures |

Preliminary assessment period:
January 2019 through to December
2019.



Transit-Oriented Development (TOD)

- Policy Operating Effectiveness Exceptions
- Design of TOD policy and procedures did not address how TOD project funds are to be processed
- Update Contracting Authority Policy with proper description of role of Attorney Generals Office



Maintenance-of-Way (MOW) Infrastructure Audit Report

R-20-04



Audit Scope	
• Governance	• Inspection
• Maintenance	• Third Party Contracts
• Training Requirements	
Excluded from Audit Scope	
• Maintenance-of-Way – Systems	• Assessment of MOW performance

Preliminary assessment period:
 May 1, 2018 through April 30, 2019

Final audit period:
 June 1, 2019 through July 31, 2020.



MOW - Infrastructure

- 2 Issues from PA remain in progress
- All other MOW issues are corrected



MOW - Infrastructure

- The MOW department has implemented formal governance controls such as delegation of authority and assignment of roles and responsibilities consistent with the new organizational structure
- The new training program has been approved by the FRA
- Updates to the Supply Chain SOP were placed on hold due to the implementation of Laserfiche



MOW - Infrastructure

- The MOW department has identified a permanent software solution to track inspections, work orders, and resolution
- MOW department has implemented an interim solution until the permanent system is modified.



MOW - Infrastructure

- The MOW department developed a process flow chart to govern the use of a RWIC
- MOW department has implemented an interim solution until the permanent system is modified.



Other Business

- a. Next Meeting: TBD



Adjourn

