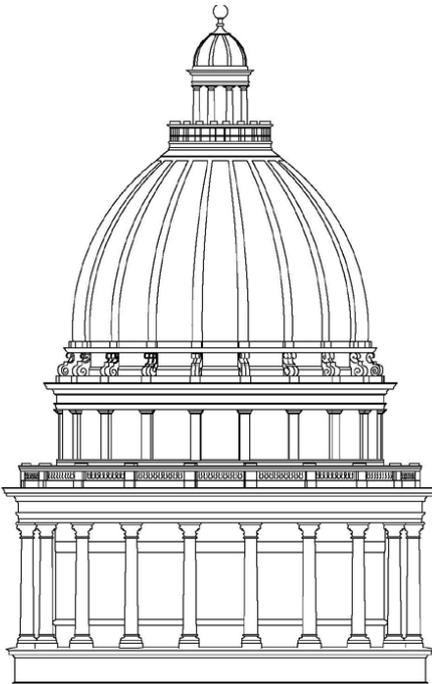
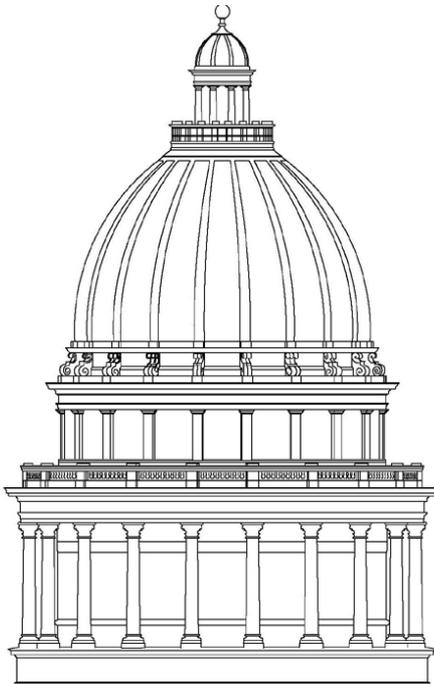


# An In-Depth Budget Review of the Office of the Utah Attorney General



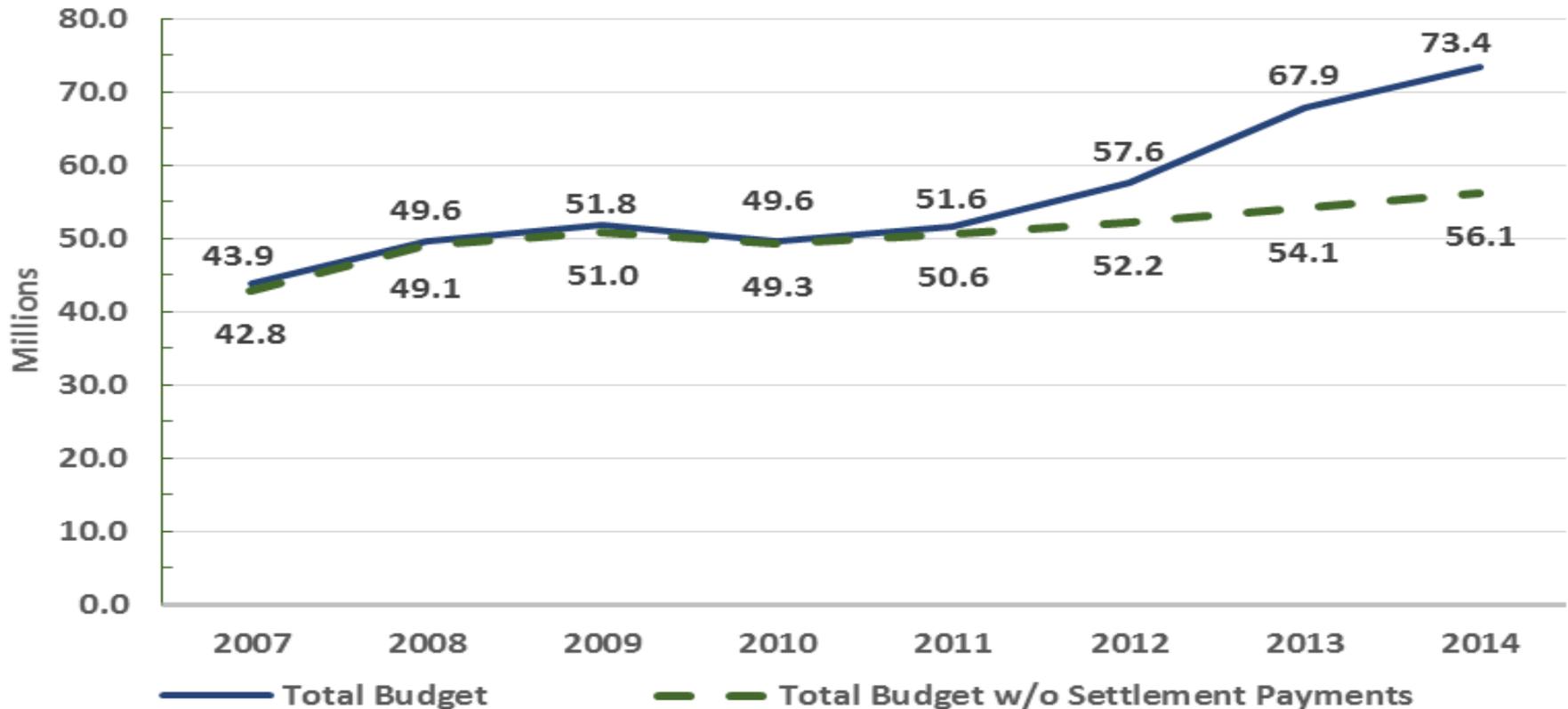
A Report by the Utah Legislative  
Auditor General  
June 2015

# Chapter I



## Introduction

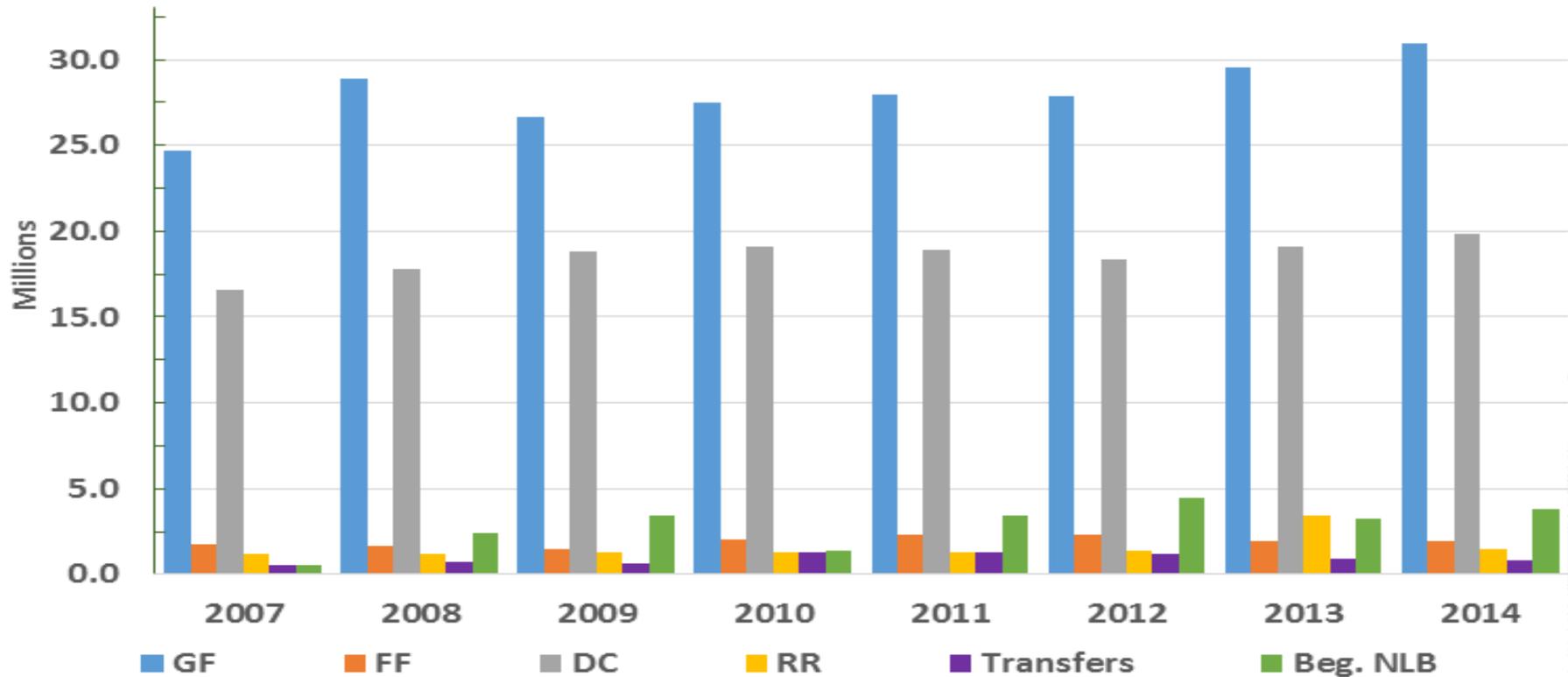
# Attorney General Total Budget



**FOR MORE INFORMATION**

**Figure 1.1 - See Chapter I page 2**

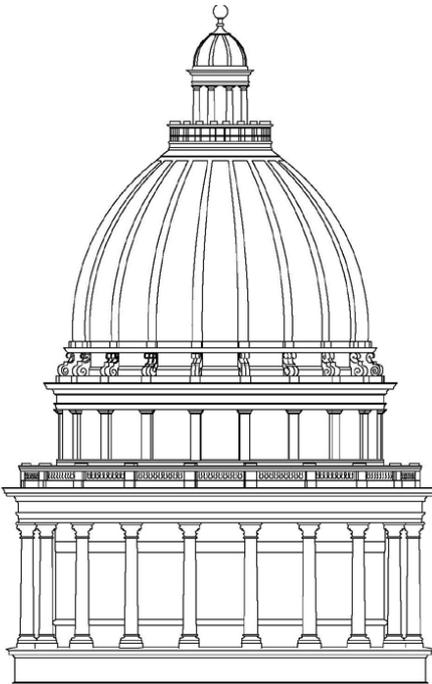
# Funding Sources For OAG Operating Budget



**FOR MORE INFORMATION**

**Figure 1.2 - See Chapter I page 3**

# Chapter II



Improved Budgetary and  
Accounting Controls  
Necessary for Legal  
Services

# Long Standing Use of Dedicated Credits Is Not Consistent with Statute and Lacks Transparency

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## 1) Use of dedicated credits is not consistent with statute

- **Utah Code 63J-2-102:** Dedicated credits does not mean.... revenues received by the Attorney General's Office from billings for professional services

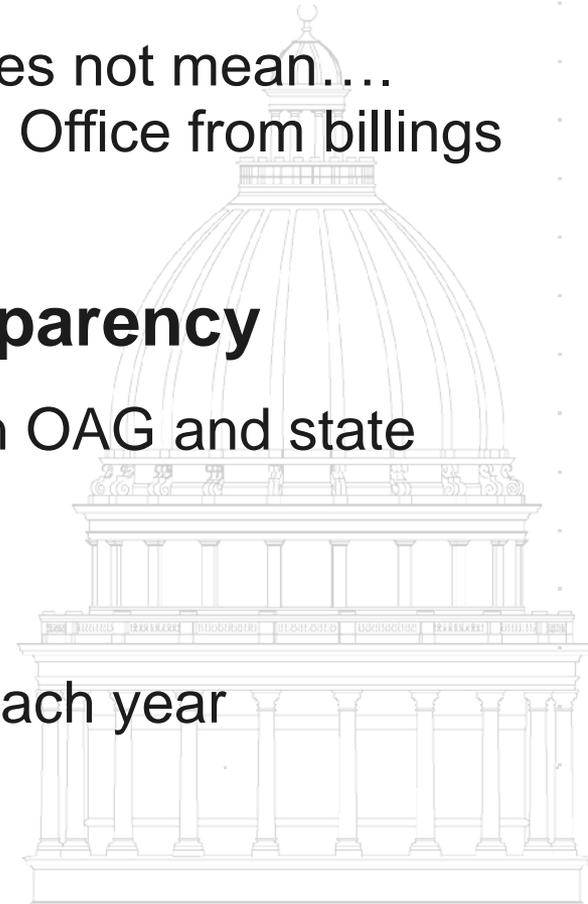
## 2) Use of dedicated credits limits transparency

- Legislature not privy to negotiations between OAG and state agencies for additional legal services
- Indirect appropriations
- Double counting in the state budget roll-up each year

**FOR MORE INFORMATION**

**See Chapter II pages 9 through 12**

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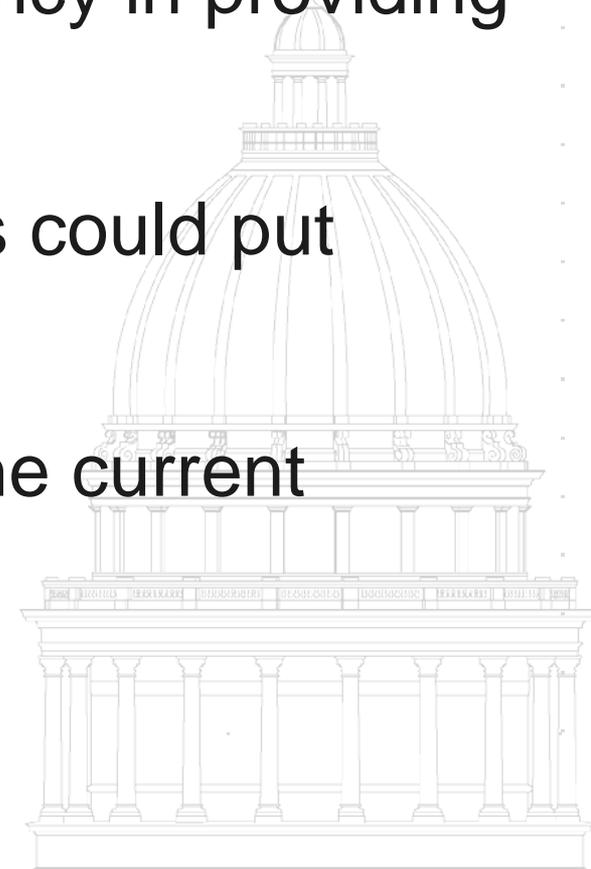
# Budgeting and Accounting For Legal Services Needs Improvement

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- 1) OAG Lacks uniformity and consistency in providing legal services and tracking costs
- 2) Current accounting of legal services could put federal funds at risk
- 3) Pay increases are constrained by the current funding system

**FOR MORE INFORMATION**

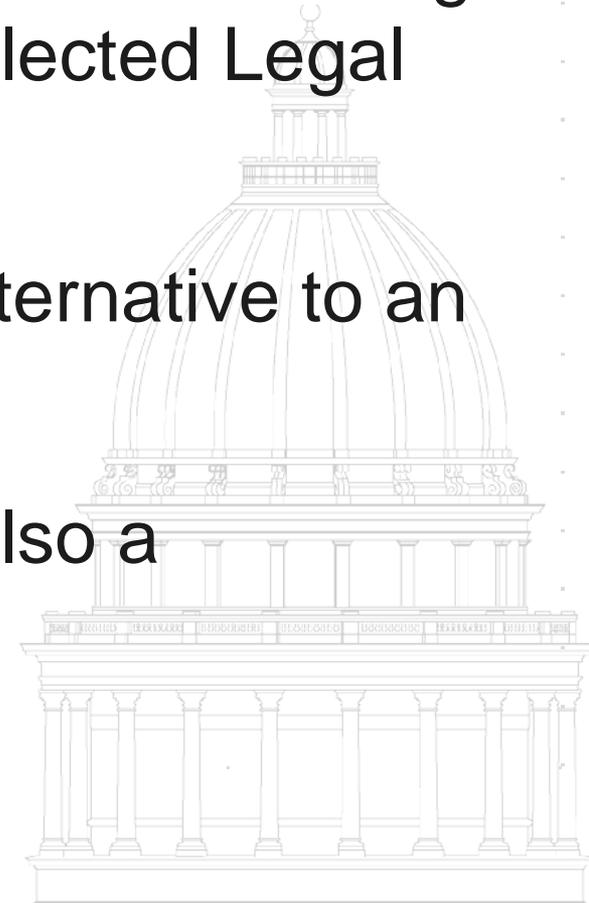
**See Chapter II pages 12 through 15**



# Additional Controls for Legal Services Necessary

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- We Recommend the Legislature Consider Creating an Internal Service Fund (ISF) for Selected Legal Services
- A Cost Allocation Plan (CAP) is an alternative to an ISF
- A new line item for legal services is also a Legislative alternative to an ISF



**FOR MORE INFORMATION**

**See Chapter II pages 15 and 16**

# Additional Reporting And Oversight Of Other Funds Needed

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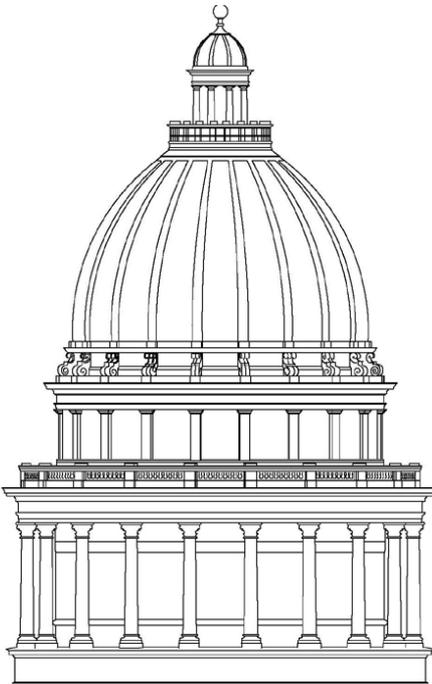
- 1) Attorney General Litigation Fund needs additional oversight
  - Downward trend in fund balances – see Appendix D of report.
  - Fund balances, revenues, and expenditures should be annually reviewed
  
- 2) Annual legislative reporting on all other off-budget funds would increase accountability of fund activities
  - Before 2014, no reporting of off-budget fund activity

**FOR MORE INFORMATION**

**See Chapter II pages 18 and 19**

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# Chapter III



**Spending of Building Block  
Appropriations Generally  
Meets Intent**

# Building Block Expenditures Appear Consistent with Stated Purpose

Fiscal Year	Yes	Partial	No	Total
2014	9	1	0	10
2013	11	0	0	11
2012	11	1	0	12
2011	9	1	0	10
2010	10	0	0	10
<b>Total</b>	<b>50</b>	<b>3</b>	<b>0</b>	<b>53</b>

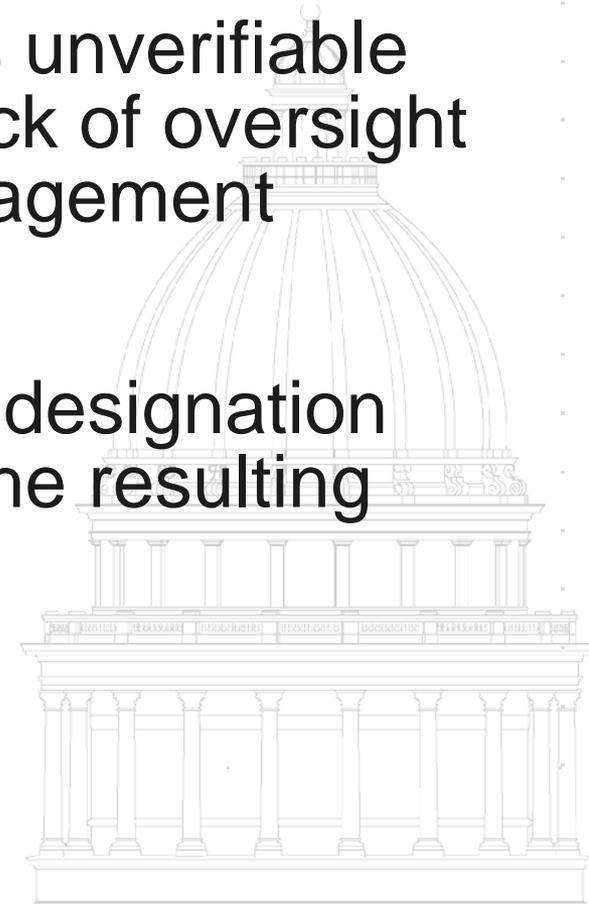
**FOR MORE INFORMATION**

**Figure 3.1 - See Chapter III page 22**

# Insufficient Accounting Results in Unverifiable Spending For 3 Building Blocks

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- Spending for two building blocks was unverifiable due to inadequate accounting and lack of oversight and accountability from division management
- One building block received a partial designation due to delayed implementation and the resulting incomplete data



**FOR MORE INFORMATION**

**See Chapter III pages 23 through 24**

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# Additional Spending And Budgeting Concerns

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## 1) S.B. 281, Mortgage and Financial Fraud Investigators, 2012 General Session

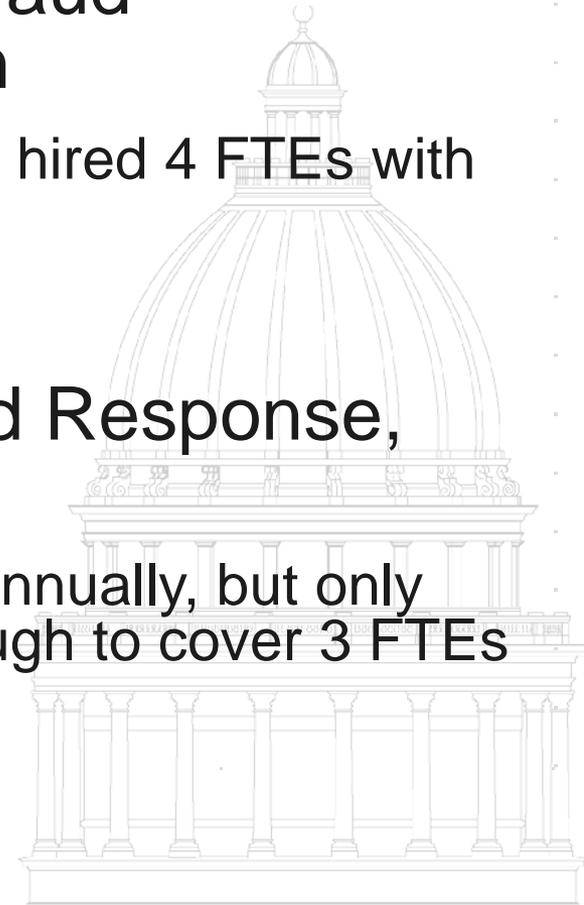
- \$2 million one-time appropriation - OAG has hired 4 FTEs with an ongoing cost of about \$700,000

## 2) H.B. 76, Federal Law Evaluation and Response, 2011 General Session

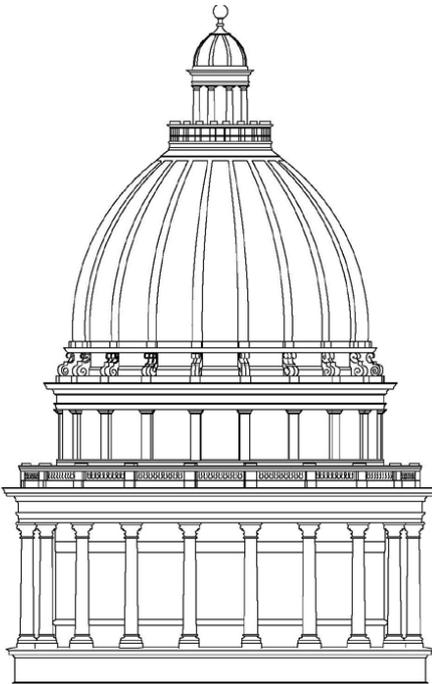
- Restricted account – anticipated \$350,000 annually, but only receiving about \$50,000 annually – not enough to cover 3 FTEs hired.

**FOR MORE INFORMATION**

**See Chapter III pages 23 through 24**

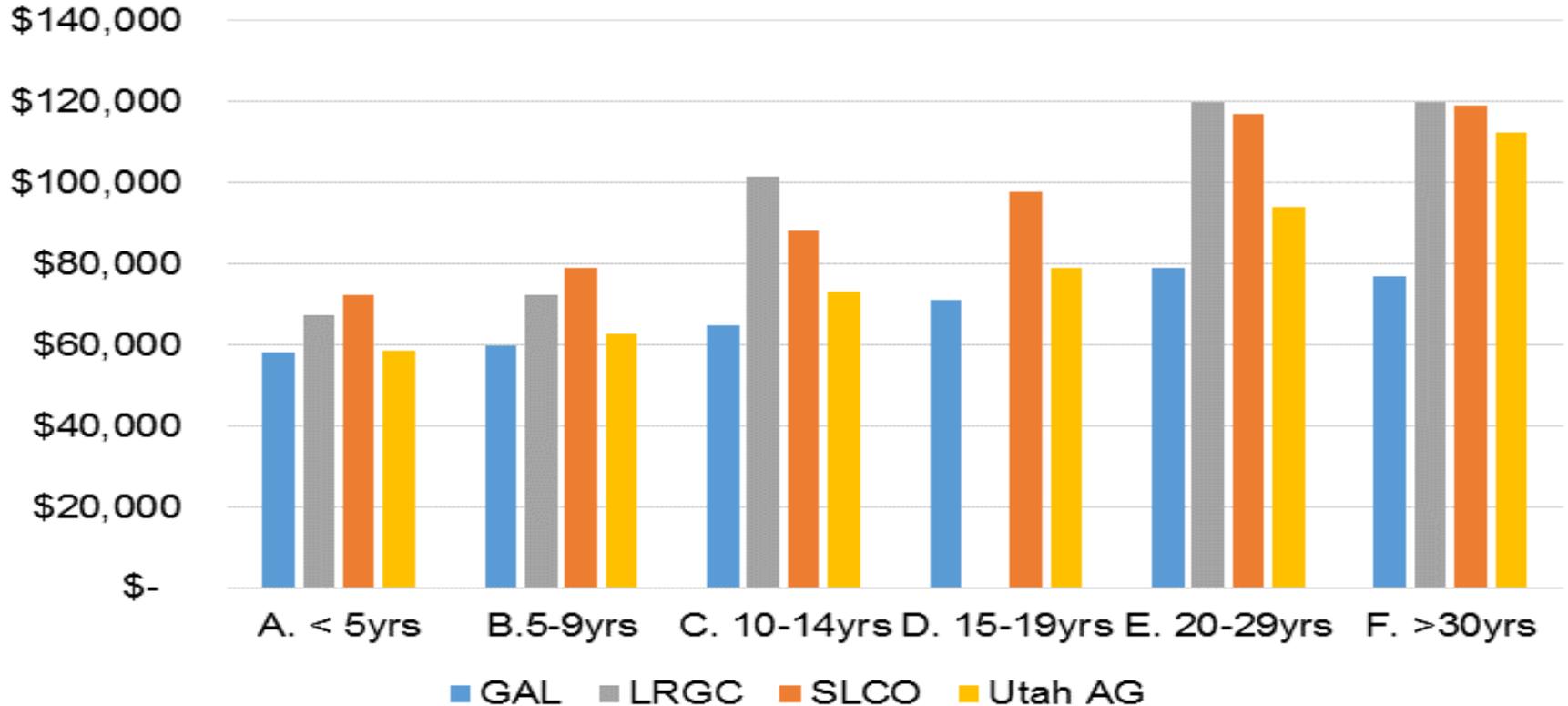


# Chapter IV



Compensation on Low End but  
Turnover Rates Are Favorable

# Assistant AG Salaries Compare On the Lower End of Local Survey



**FOR MORE INFORMATION**

**Figure 4.2 - See Chapter IV pages 28 through 30**

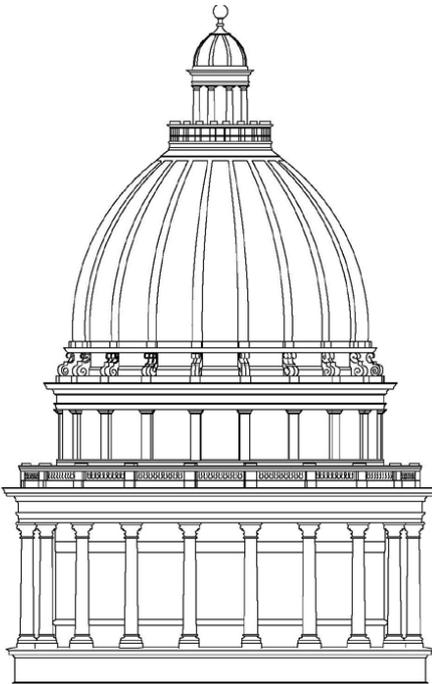
# Assistant AG Turnover Rates Compare Favorably To Other States And Locals

		<u>Turnover Rate</u>
<b>Utah Assistant Attorney General</b>		<b>5.3 %</b>
<b><u>State Comparables</u></b>		
	Washington Asst. AG	30.0
	Oregon Asst. AG	9.0
	Colorado Asst. AG	5.7
	Idaho Asst. AG	4.1
<b><u>Local Comparables</u></b>		
	LRGC Attorneys	5.1
	SLCO District Attorneys	3.0
	Utah GALs	18.3
<b><u>State and Professional Comparables</u></b>		
	All Utah State Employees	17.1
	Utah State Engineers	5.4
	Utah State Medical Professionals	7.8

**FOR MORE INFORMATION**

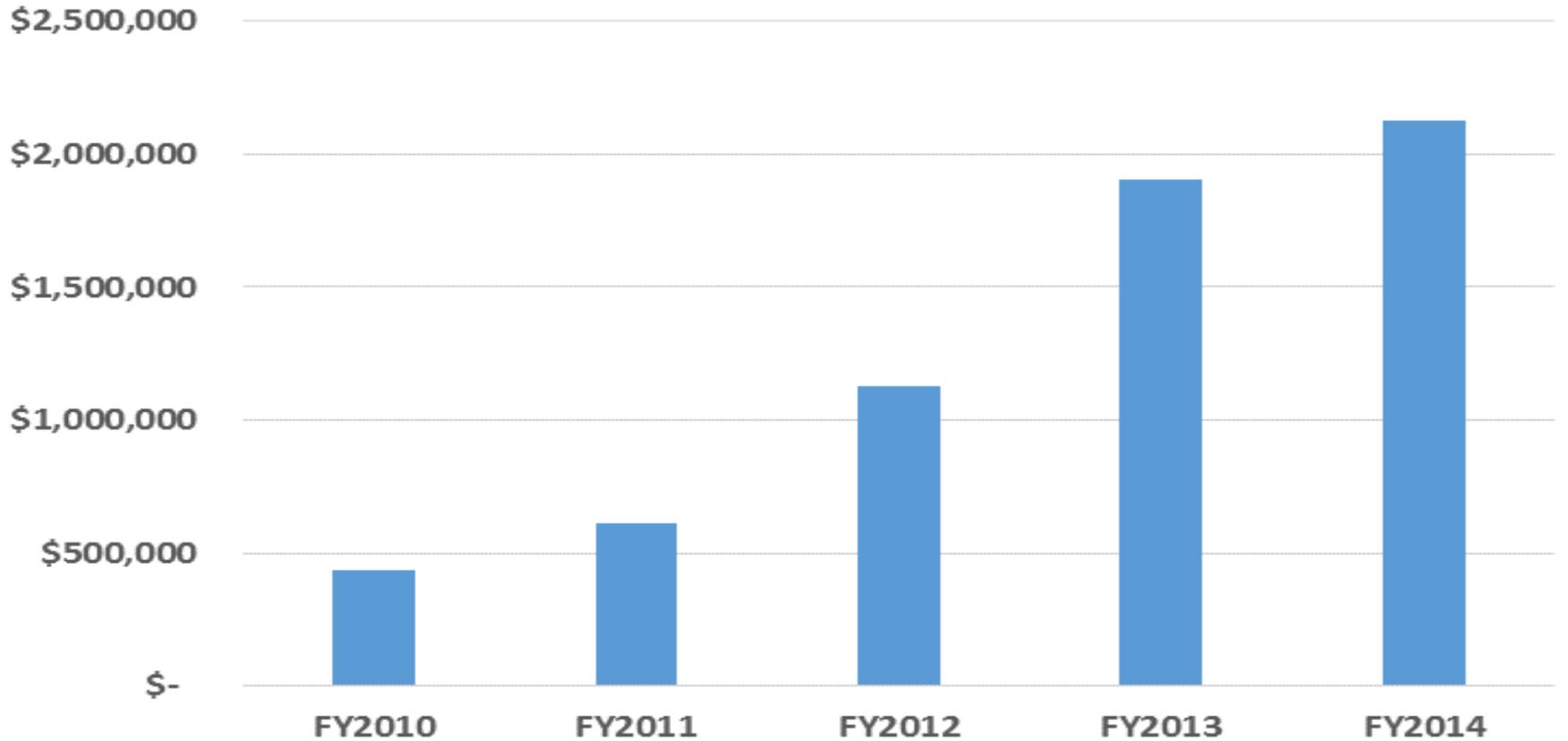
**Figure 4.3 - See Chapter IV pages 31 through 32**

# Chapter V



Isolated Events Increased  
Attorney Contracting Costs

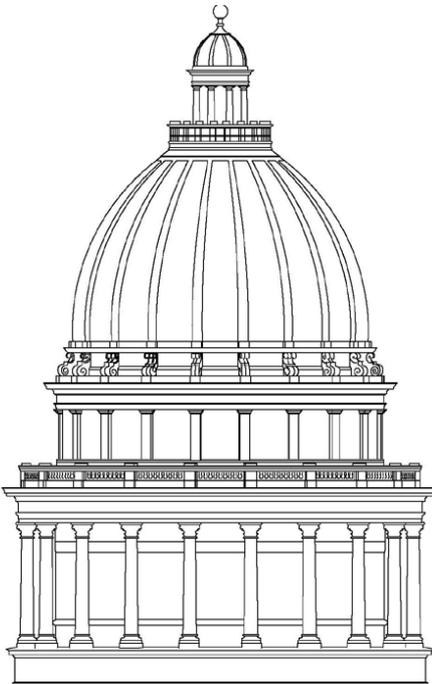
# Large Highway Projects Increase Contract Attorney Expenses and Condemnation Caseloads



**FOR MORE INFORMATION**

**Figure 5.1 - See Chapter IV pages 36 through 37**

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