The Utah State Legislature created the Office of the Legislative Auditor General (OLAG) in 1975. OLAG has authority to audit any branch, department, agency, or political subdivision of the state.

The Legislative Auditor General is a constitutionally created position with a six-year term of appointment. The Auditor General reports directly to the Audit Subcommittee of the Legislative Management Committee. Traditionally, though not required, the committee has been composed of the President of the Senate, the Speaker of the House, and the minority leader of each house.

What Does the Legislative Auditor General Do?

OLAG may audit or review the work of any state agency, local government entity, or any entity that receives state funds. State law authorizes OLAG to review all records, documents, and reports of any entity that it is authorized to audit, notwithstanding any other provision of law.

OLAG’s audits may have multiple objectives and one of many formats. OLAG publishes the findings of these audits in reports that are written for the Legislature but are available to the public.

OLAG staff also provide short-term assistance to the Legislature in the form of special studies. Examples of this type of service include studies of driving privilege cards and state entity prescription drug purchasing practices.

How Are Audits Initiated?

Any legislator can make an audit request simply by writing a letter to the Audit Subcommittee. This letter should identify specific issues of concern that should be addressed by the audit. While the letter of request can be signed by one legislator, the request may have more influence if it is signed by a group of legislators or by the legislators on a committee.

Once the request is received, the Audit Subcommittee will prioritize it in the order that subcommittee members determine to be appropriate. Issues given high priority are those that will confront the Legislature in the next session or have the potential for a larger statewide impact.

What Is the Audit Process?

An audit will be staffed according to its priority assignment and staff availability. Once an audit is staffed, an auditor generally contacts the legislator(s) requesting the audit to discuss their concerns and identify when the audit results are needed.

If all the audit questions cannot be answered in the necessary time period, the auditors will work with the legislator(s) to identify the most critical questions. Once the audit is complete, the report is presented to the Audit Subcommittee, which then releases it to the appropriate legislative committees and to the public.

What Is the Purpose of This Annual Report?

This report fulfills requirements set forth in Utah Code 36-12-15(10) which states that “(a) Prior to each annual general session, the legislative auditor general shall prepare a summary of the audits conducted and of actions taken based upon them during the preceding year. (b) This report shall also set forth any items and recommendations that are important for consideration in the forthcoming session, together with a brief statement or rationale for each item or recommendation.”
How May I Receive Audit Reports?

You may download a copy of most audit reports from the legislative website: www.le.state.ut.us/audit/olag.htm.

Who Are the Members of the Audit Subcommittee?

President Michael G. Waddoups, Co-Chairman
President of the Senate
R-Salt Lake County

Speaker David Clark, Co-Chairman
Speaker of the House
R-Washington County

Senator Patricia W. Jones
Senate Minority Leader
D-Salt Lake County

Representative David Litvack
House Minority Leader
D-Salt Lake County

“... The legislative auditor shall have authority to conduct audits of any funds, functions, and accounts in any branch, department, agency or political subdivision of this state and shall perform such other related duties as may be prescribed by the Legislature. He shall report to and be answerable only to the Legislature.”

- Article VI, Section 33 of the Utah Constitution

Who Are the Auditor General Staff?

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Deputy Auditor General  Rick Coleman, CIA, CPA
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  Darin Underwood, CIA
Audit Supervisors  James Behunin, CIA
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  Wayne Kidd, CIA
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           Ian Christensen
           August Lehman
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           David Pulsipher, CIA
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Quality Control/Report Editor  Emily Peterson, JD
Administrative Assistant  Lynda Maynard
Legislative Secretary  Nancy Woodward
Based on issues addressed and recommendations made in our 2008 audits and the actions taken on 2007 audit recommendations, we believe the Legislature should consider the following items during the 2009 General Session.

### 2008-13: A Performance Audit on the Use of Mineral-Related Funds in Uintah Basin

The November 2008 audit on the use of mineral-related money in the Uintah Basin found that the Uintah Basin counties, particularly Uintah, could allocate a higher percentage of their mineral-related funding to roads, but they have used their funding in other areas and have generally increased their transportation fund balances. Rather than adjusting expenditures or using their existing fund balances, the Uintah Basin counties have continually requested additional money from the state for their transportation needs.

**Action Needed:** If the Legislature wants counties to meet their transportation needs with mineral-related money before approaching the state for supplemental transportation money, it would be useful to codify that intent. Toward this end, the Legislature could consider codifying the portion of the intent language that accompanies federal mineral lease money channeled through the Utah Department of Transportation.

### Audit 2008-10: An In-Depth Follow-Up Audit of the Office of the Guardian ad Litem

The November 2008 in-depth follow-up audit found that the use of guardians ad litem (GALs) in district court pulls resources away from the intent and design of the program, which is to represent victims of child abuse and neglect in juvenile court. District court cases now account for about one-fourth of the GAL caseload, but different court districts vary considerably in their use of the program. Some of those district court cases involve little evidence of abuse or neglect but may continue for years.

**Action Needed:** The Legislature should consider specifying (1) the acceptable grounds for appointing GALs in district court cases and (2) the role and appropriate level of involvement of GALs in those cases. Examples of possible legislative guidance in these areas may include requiring the district court to request a Division of Child and Family Services investigation when a GAL is appointed and/or requiring a written order explaining the court’s reasons for appointing a GAL. In addition, the Legislature could require the district court’s order of appointment to specify the duties the GALs should complete, limit the length of the appointment, and/or provide conditions for the assessment of fees on the private parties involved in the case.

### 2008-03 A Performance Audit of the Utah Transit Authority (UTA)

The UTA Board of Trustees has not established in policy a fare-pricing strategy that includes an overall minimum farebox recovery ratio, as recommended by the audit. While the board focuses on the amount of subsidy per passenger, we think the percent subsidy is also important. One of the inherent challenges of operating a public transit system is that it does not face the disciplining effects of the marketplace. The audit found that passenger fares recover only about 17 percent of operating costs (or 13 percent of total costs, including depreciation). Some states have established a minimum farebox recovery ratio for their transit systems as a means to encourage the transit agency to focus on providing efficient service. Although the UTA board has not acted on this recommendation,
the Legislature could adopt a statutory requirement similar to those in other states where fares must, by law, generate enough revenue to cover a certain percentage of operating costs.

**Action Needed:** The Legislature should consider establishing (or requiring the UTA board to establish) a target farebox recovery ratio to help control the taxpayer subsidy for less-efficient or high-cost routes and services.

*■ Audit 2008-01: A Performance Audit of The Committee of Consumer Services*

The January 2008 audit addressed many issues relating to the Committee of Consumer Services’ (CCS) operations, structure, and organizational placement. Among them, the ability of the CCS to effectively carry out their function is questioned because of a lack of technical expertise required for committee membership. The statutory language that established the CCS creates conflict because of the dual consumer advocacy roles of the board and the director. The organizational placement of the CCS also creates conflict because statutorily the CCS is created within the Division of Public Utilities (DPU) even though the CCS’ mission often puts them at odds with the DPU in utility proceedings. The Department of Commerce has recognized this conflict, and in practice, the CCS operates independently of the DPU, but their placement should be dictated by statute.

**Action Needed:** The audit suggests that the Legislature revisit the makeup of the CCS or consider changing their structure from a policy board to an advisory board. The audit also recommends that the Legislature revisit the statutory duties of the CCS’ staff director and reconsider the organizational structure/placement of the CCS.

*■ 2007-15: A Performance Audit of the Coal & Mining Regulatory Program*

The December 2007 report on Utah’s coal regulatory program found that management of the coal program can improve oversight and increase efficiency. It was also reported that the coal program did not charge fees to recoup their regulatory costs that were commensurate with other Utah regulatory agencies and other states’ coal programs. Assessing annual fees, permit application fees, and permit amendment fees would have the coal operators paying for at least a portion of the regulatory oversight their activities require while also freeing up general fund dollars for other uses.

**Action Needed:** The audit recommends that the Legislature consider instituting fees to help fund the coal regulatory program. The Division of Oil, Gas and Mining should devise the fee structure and present it to the Legislature.

*■ Audit 2007-14: A Performance Audit of Class-Size Reduction in Utah*

The December 2007 report found that less than half of all Utah school districts keep track of their class-size reduction (CSR) funding separately. However, a sample we conducted of those districts that do track CSR funds separately showed that the funds were used for elementary teacher compensation. Aggregate data analysis allowed us to estimate that, overall, CSR funding has enabled districts to maintain but not increase the number of CSR teachers hired in 2000.

**Action Needed:** CSR program improvements are possible in several ways. First, if the Legislature annually adjusts funding based on K-8 enrollment changes, schools should be better able to maintain CSR efforts in the face of enrollment increases. Second, reconsidering the automatic allocation of CSR funds to every district and charter school based on enrollment rather than need could direct more CSR funds to those schools with greater need, allowing them to take more CSR steps. Third, revisiting the desired outcome for this program (that is, incremental class-size reduction versus maintenance of initial reductions in 2000) could lead the Legislature to implement changes to the program and/or its funding levels.
In 2008, the Office of the Legislative Auditor General (OLAG) completed 13 audits and four special projects. In December 2008, we completed 13 follow-ups on recommendations made in five audits from 2008 and eight audits and special projects from 2007. This section summarizes OLAG’s work in these areas. Full reports are located on our website: www.le.state.ut.us/audit/olag.htm.

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Completed Audits with Follow-Up

Audit 2008-05 Follow-Up of A Performance Audit of the Utah Department of Corrections

Our in-depth follow-up of A Performance Audit of the Utah Department of Corrections (UDC) found that UDC has implemented or is in the process of implementing each of the 14 recommendations made in our December 2006 report. Department management took positive steps to curtail the appearance of favoritism, improve their oversight and controls, and bolster the independence of the internal audit and internal affairs bureaus. However, we did find that some improvement is still needed in tracking officers’ annual training and monitoring compliance with the department’s reserve officer policy.

Results of Follow-Up: We made one recommendation in the in-depth follow-up review that addressed the need for the department to ensure its reserve officer policy was being enforced. This recommendation has been implemented due to the department discontinuing its reserve officer program.

Audit 2008-04 A Performance Audit of the Utah State Hospital

The Utah State Hospital’s (State Hospital’s) quality of care is good overall. The State Hospital compared reasonably well within common performance measures, and our consultant believes the State Hospital’s quality of care is as good as, and in some cases, superior to that offered in other state hospitals. While quality of care is good, the availability of bed space varies by unit at the State Hospital. Demand for forensic beds exceeds availability, while pediatric beds appear to have excess capacity. The current number of adult beds appears sufficient.

Results of Follow-Up: This report made nine recommendations to the State Hospital. Four recommendations have been implemented, four are in process, and one was not implemented due to unavailable resources. The implementation of our recommendation requesting the State Hospital review our consultant's report and identify which of his recommendations would be implemented is worth noting. Overall, our consultant made 57 recommendations and the State Hospital implemented 46 (81 percent).

Audit 2008-03 A Performance Audit of the Utah Transit Authority (UTA)

This audit found that transit use has increased over the past decade, but the passenger data UTA uses to manage the transit system has been unreliable. To improve the quality of its passenger data, UTA should adopt better statistical methods and move from a manual to an automated counting system. A review of UTA’s budget growth revealed that expansion of rail systems has led to a significant increase in budget and that sales tax is largely replacing federal grants as the primary funding source. The audit also found that UTA executive salaries and bonuses are high compared to those of other transit agencies. The audit recommends that UTA (1) develop a watch list to monitor low-performing bus routes that do not meet minimum service standards, and (2) develop a fare-pricing strategy to minimize the burden placed on taxpayers who subsidize 83 percent of the operating cost of transit, excluding capital construction costs. We also found that UTA’s impact on air quality and traffic congestion is small, as only 4.5 percent of commuters use transit. Finally, the audit recommends that the Legislature consider increasing its oversight of UTA to hold the agency more accountable for its use of public funds.

Results of Follow-Up: During 2008, UTA implemented six of the eight audit recommendations that were directed to them. The two recommendations not implemented were for the UTA Board of Trustees to (1) establish in policy a fare-pricing strategy that includes an overall minimum farebox recovery ratio, and (2) establish polices that bring agency compensation practices more in line with other transit agencies. The Utah Legislature also implemented two...
recommendations from the report that sought to improve the oversight and accountability of the UTA Board of Trustees.

Audit 2008-02 A Performance Audit of the Carson Smith Scholarship Program for Students with Special Needs

The Carson Smith Scholarship for Students with Special Needs provides financial assistance to families with special-needs children. The scholarship pays for all or a portion of the tuition at one of 39 eligible private schools. We observed that program growth is slowing and that the Legislature, through funding, should determine whether to maintain, increase, or reduce the size of the program. Also, districts allocate their own resources to program management. Finally, we found that the program is meeting its program goals as measured by parental approval.

Results of Follow-Up: There were four recommendations made in this report. To date, only one has been implemented. That recommendation resulted in increased funds for Carson Smith scholarships that are tied to WPU funds. Two recommendations are either in process or have been partially implemented. The final recommendation, to consider scholarship termination when a recipient no longer qualifies, has not been implemented.

Audit 2008-01 A Performance Audit of the Committee of Consumer Services

This audit found that the statutory structure and organizational placement of the Committee of Consumer Services (CCS) needs legislative review. A review of other boards within the state showed that the board's structure is not congruent with other policy-making boards in technical fields. In addition, the current placement of the CCS within the Department of Commerce's Division of Public Utilities is not in accordance with statute due to the CCS' inherent conflict of interest with the Division of Public Utilities. We also examined the CCS' budget and found that, overall, the CCS has spent funds according to their budget. However, trends in the amount of funds lapsing from its operating fund to its professional and technical fund may justify a review of appropriated amounts to each fund. Finally, the audit found that the CCS needs to develop policies and procedures and should make more efforts to document and monitor the efficiency and effectiveness of its operations.

Results of Follow-Up: This report made seven recommendations to the Legislature and three to the CCS. The CCS is in the process of implementing the three recommendations addressed to them. The seven recommendations addressed to the Legislature have not been implemented.

Audit 2007-15 A Performance Audit of the Coal & Mining Regulatory Program

The audit found that the coal regulatory program lacked good management practices in some key governing areas. Specifically, management had not developed adequate policies and procedures for the coal program and was not satisfactorily monitoring the performance of the coal program. Further, management’s permitting practices were not consistent with the intent of state statutes and administrative rules, as clarified by the Board of Oil, Gas and Mining. By operating more efficiently, the program could realize cost savings because fewer staff would be needed.

Results of Follow-Up: There were 11 recommendations made in the report, and nine have been fully implemented. The other two recommendations are in the process of being implemented. Agency management reports the coal program is committed to fully implementing the last two recommendations as various details are clarified. The recommendations in the report led to increased efficiency by the coal program, resulting in a savings of $235,000 annually.

Audit 2007-14 A Performance Audit of Class-Size Reduction in Utah

We were asked to review the uses of class-size reduction (CSR) funds. Since less than half of all school districts track CSR funds, we could not verify in all cases
whether funds were used either appropriately or inappropriately. For those districts that do track CSR expenditures, we feel that their funds are auditable. Based on a sample of eight districts, three of those districts did track CSR expenditures, and we verified the use of those funds were for teacher compensation. We also conducted aggregate data analysis, and we estimate that CSR funds generally have maintained CSR-funded teachers but, in most years, no new teachers have been added. In our report, we raise some areas needing policy review, specifically whether the Legislature desires to add increased accountability and reporting requirements for CSR funds.

**Results of Follow-Up:** This report made four recommendations to the Legislature. These recommendations have been discussed in various legislative meetings but have yet to be implemented.

**Audit 2007-13 A Performance Audit of School District Internal Controls**

Allegations that three public education employees embezzled more than $5 million over many years in Davis and Weber school districts raised concerns about the adequacy of fraud prevention and detection control in school districts. Our evaluation showed that Davis School District has implemented corrective action, and other districts generally do not have similar control weaknesses. The Weber School District Foundation implemented improvements to its controls, but some other foundations had similar control weaknesses.

**Results of Follow-Up:** Of the report’s 12 recommendations, four were implemented, seven are in process, and one is partially implemented. The Utah State Office of Education (USOE) is developing procedures to improve district controls and monitor Title I expenditures. USOE has also hired an additional internal auditor to provide additional oversight. Additionally, House Bill 112 was passed during the 2008 General Session requiring school district foundations to establish and follow specific accounting and purchasing policies. Although USOE does not have the resources available to assist every school district foundation, they will provide indirect fiscal oversight.

**Audit 2007-12 A Performance Audit of the Petroleum Storage Tank Trust Fund**

The Petroleum Storage Tank Trust Fund (PST Fund) provides coverage to underground fuel storage tank owners and operators for cleanup costs associated with a leaking tank and is administered by the Division of Environmental Response and Remediation. The specific audit objectives included evaluating whether the division should both administer the fund and regulate the industry, whether the fund should be privatized, if alternative tank cleanup corrective action methods can be used to meet a tank owner/operator’s financial assurance requirements, and if the division is acting in an effective, efficient, and timely manner in auditing corrective actions and regulating the industry generally. The audit discusses our analysis of the first three objectives and offers four recommendations to help the division improve some management practices.

**Results of Follow-Up:** All four recommendations to the division were implemented. For example, in response to our recommendations that the division develop performance measures to analyze the PST Fund cases and focus more on aging PST caseloads, the division has undertaken a comprehensive review of all cases to ensure they are managed as efficiently as possible.

**Audit 2007-11 A Performance Audit of Higher Education Personnel Budgeting Practices**

Higher education’s budgets are not representative of actual expenditures. Specifically, personnel budgets are overstated, while non-personnel budgets are understated. While carryforward balances for institutions of higher education are relatively small, they are not being adequately disclosed. Budgeted amounts for personnel and non-personnel for higher education have drifted over the years and no longer reflect spending expectations; they should be brought more in line with actual expenditures.

**Results of Follow-Up:** An in-depth follow-up will be released in 2009.
Audit 2007-10  A Performance Audit of Court Fines, Surcharges, and Fees

A review of a sample of cases from district, juvenile, and justice courts showed that some justice courts need additional training in regards to assessing fines, surcharges, and fees according to statute. It appears that district and juvenile courts have adequate controls except for a minor programming error in the juvenile courts’ case management system. Surcharge revenue is being allocated appropriately, and most state agencies adequately manage court surcharge revenue. The audit determined that the capital projects fund revenue collected for that fund would not be sufficient to meet bond obligations without legislative and AOC action.

Results of Follow-Up: The AOC implemented five recommendations that address justice court training, statewide case management software, consistent language in court orders, and solutions to the capital projects fund. Additionally, the Division of Substance Abuse and Mental Health implemented a recommendation to monitor the counties’ use of surcharge revenue, and the Department of Public Safety is in the process of implementing a recommendation to keep revenue from the statewide warrant system in a separate account.

ILR 2007-E  A Limited Review of the State Construction Registry

This informal letter report (ILR) found that certain cities only issued a notice of commencement for 68 percent of construction projects surveyed. Conversely, 81 percent of contractors said they would use the State Construction Registry (SCR) if cities properly filed a notice of commencement. We believe that the SCR could be a valuable tool in providing transparent property lien information to contractors, material suppliers, banks, and the public. We recommend that the Division of Occupational and Professional Licensing (DOPL) continue to train cities and contractors on the usefulness of the SCR.

Results of Follow-Up: DOPL has implemented six of the eight recommendations and is in the process of reviewing its administrative rules. Additionally, Utah Interactive is in the process of notifying local government entities in a timely fashion if notice of commencement fax transmissions are illegible.

ILR 2007-F A Review of the Transportation Prioritization Process

House Bill 4001 (passed during a special session on September 19, 2006) authorized a county legislative body to impose a local option sales and use tax to help fund regionally significant highway and transit projects for congestion mitigation and expanded capacity. Salt Lake County was the first county to pass the .25 percent sales and use tax. This informal letter report (ILR) showed that the Salt Lake County Council of Governments planned on using revenue not only for construction costs and debt service, but also for operations and maintenance. However, statute does not specifically state that revenue from the sales and use tax can be applied to operations and maintenance.

Results of Follow-Up: This report made three recommendations: one to the Legislature, one to the Councils of Governments, and one to the Wasatch Front Regional Council (WFRC). The recommendation to the Legislature clarifying the use of the revenue from the sales and use tax increase has been partially implemented. The recommendation to the Councils of Governments to follow legislative intent when developing and utilizing a written prioritization process has been implemented, and the WFRC has implemented the recommendation regarding the methodology for written prioritization process.

Completed Audits

Audit 2008-14  A Performance Audit of School Building Construction

The evaluation of school building construction reviewed the procurement process, school building costs, and the size and space utilization of new school buildings constructed since 2006. This audit found that nine of 21 school districts surveyed have not adequately
fostered competition in procuring architectural services for new school buildings. Several situations exist where the criteria developed to evaluate proposals and bids have not been equally applied throughout the evaluation process. School construction costs have increased annually since 2006, but Utah school buildings generally cost less than neighboring states’ school buildings. The USOE had provided recommended guidelines for the space per student for school buildings. A majority of new elementary school buildings and high school buildings exceed those guidelines.

**Audit 2008-13 A Performance Audit on the Use of Mineral-Related Funds in Uintah Basin**

The justification is not very compelling for supporting past Uintah Basin county assertions that more money is needed to mitigate damage to county roads. First, Uintah County received $134.6 million during the five years reviewed, making it the largest recipient of mineral-related money; Duchesne County received $36.9 million, making it the fifth-largest recipient. Second, the counties’ use of mineral-related money is not heavily allocated toward roads. Both Uintah and Duchesne counties devoted around 42 percent of all mineral-related money to roads. Finally, discretionary income available within two Uintah Basin transportation special service districts appears relatively large and, for the most part, rising.

**Audit 2008-11 A Performance Audit of School Busing**

This audit found that standards relating to bus drivers need to be strengthened and compliance ensured. Specifically, the evaluation and monitoring of motor vehicle records, and the review of criminal background checks for bus drivers need to be improved. Also, school districts and the Utah State Office of Education (USOE) need to enhance the physical assessment requirements of bus drivers and ensure that drivers are up to date on mandated training each year. The audit found that the oversight of busing operations can be improved by the USOE and that the distribution formula for school busing operations presents some concerns because of inaccurate or inconsistent data being reported by school districts. Inconsistent data hinders the use of performance measures by the USOE to improve operations throughout the state. The audit also found that the capacity utilization of school buses can be improved and that the depreciation of buses should be revised. Finally, the audit recommends that the State Board of Education address the issues of buses being rented for non-pupil transportation and school buses traveling over state lines primarily because of the potentially significant liability risks.

**Audit 2008-10 An In-Depth Follow-Up Audit of the Office of the Guardian ad Litem**

The November 2008 in-depth follow-up audit of the Office of the Guardian ad Litem found that increased funding from the Legislature has contributed to program improvements such as reduced caseloads and increased fulfillment of statutory duties. Improvement is still needed in developing useful and reliable case management systems, in seeking and collecting fees, and in effectively using support staff resources. The GAL program may benefit from more legislative guidance on (1) the definition of a GAL attorney’s responsibility to advocate a child’s “best interest,” and (2) the appropriate use of GALs in district court cases. Finally, while the Guardian ad Litem Oversight Committee was created to buffer the Judicial Council’s involvement with the GAL Office, the Legislature has still not changed the Judicial Council’s responsibility to directly supervise the GAL Office.

**Audit 2008-09 A Performance Audit of Adult Education Services**

This audit found that the three organizations, the Utah State Office of Education’s Adult Education Program, the Department of Workforce Services, and the Utah College of Applied Technology, deliver relatively unique services to their clients and that the organizations are partnering together to reduce gaps in their services. The audit also found that the Adult Education Program is not complying with the requirements that state funding be spent on Utah residents and individuals legally residing in the United States.
States. Finally, the audit found issues with the allocation formula used by the Adult Education Program. The formula promotes redundant high school completion by awarding school districts for having a student earn both a GED and a diploma. In addition, the formula also does not align with all state policies.

Audit 2008-08 A Performance Audit of Utah’s Jail Contracting Program

Past Utah Department of Corrections (UDC) contract management inadequacies have contributed to jail escapes. In some cases, the department was aware of security and operational concerns at some contracted county jails that house state inmates, but they did not ensure that needed improvements were made. To correct these concerns, we recommend that UDC (1) adequately define their authority in the jail contract, (2) improve their monitoring of the jail contract, and (3) more adequately follow up on and enforce any deficiencies found in the jails.

Audit 2008-07 A Performance Audit of the Division of Securities

Our evaluation of the division's administrative processes was initiated as a result of allegations made by those investigated by the division. They contend that the division's investigations have procedural errors, that staff has been overzealous in their pursuit of securities violations, and that they have not received fair treatment. We found the division did not have written policies and procedures guiding the process, which led to some questionable management decisions. Insufficient policies and procedures have also resulted in inadequate guidance, poor communication, and increased internal conflicts. The division needs to establish policies and procedures defining the role of the various participants involved in enforcing securities laws. The roles of the division director and presiding officer need a clear separation between investigative and adjudicative functions. Policies and procedures are also needed to address the roles of the attorney general and the advisory board and provide clear guidance on how cases should be managed.

Audit 2008-06 A Performance Audit of Davis Behavioral Health

This audit found that the 2004 corporate restructuring of Davis Behavioral Health (DBH) was costly for the organization. Instead of generating excess revenues, the new corporations cost DBH about $850,000. DBH should examine its continuing operation of the functions of the new corporations to determine how they can be more efficiently run. We also found that there is a potential conflict of interest in DBH’s IT oversight, but pending contract amendments could remedy this problem. The IT system, despite a difficult start, is improving and becoming more accepted.

Special Projects

In addition to the completed audits shown earlier in this section, the Auditor General completes some smaller projects throughout the year. Included in these projects are the following informal letter reports issued in 2008:

- A Limited Survey of Educator Classifications (ILR2008-A)
- Follow-Up of Sample Matching Driving Privilege (DP) Cards to Vehicle Insurance (ILR2008-B)
- Utah Severance Tax Volume/Value Database (ILR 2008-C)
- A Limited Review of Medical Assistance Eligibility Determination Costs (ILR2008-D)

Best Practices

The Auditor General also has the statutory responsibility of reviewing all new government programs and providing the new program or agency with a list of best practices in setting up the new program or agency. Since 2000, the Auditor General has published Best Practices for Good Management as a guide for new programs.

You may download a copy of this publication at: http://le.state.ut.us/audit/BP_2008.pdf.
It is the mission of the Office of the Legislative Auditor General to serve the citizens of Utah by providing objective information, in-depth analyses, and useful recommendations that help legislators and other decision makers:

- Improve Programs
- Reduce Costs
- Promote Accountability

To achieve this mission, the office completes in-depth audits and special projects requested by the Legislature. Listed below are examples of recent audit contributions to each mission objective.

**Improving Programs**

We identify changes in statute or in agency policies and practices that can help programs more effectively achieve their purposes. For example:

- In the past four years, at least eight notable security or operational problems have occurred—to some extent—because of the Department of Correction’s (UDC) inadequate management of the jail contract. Recommendations made in our audit should improve UDC’s oversight of the jail contract which, in turn, will improve public safety.

- The demand for forensic beds at the Utah State Hospital exceeds availability. By implementing two of our audit recommendations, the State Hospital should be able to treat eight additional forensic patients a year without increasing beds.

**Reducing Costs**

We find savings for Utah taxpayers by identifying ways to run programs more efficiently or collect revenues that agencies are failing to collect. For example:

- We found nine school districts of 21 surveyed have not adequately fostered competition in procuring architectural services for new school construction projects. The lack of competition may prevent school districts from negotiating a competitive architect fee. We found six new projects where school districts may have been able to save about $600,000, if they had competitively bid architectural services.

- We found that UTA paratransit service exceeds federal Americans with Disabilities Act minimum service requirements, making their operating cost per boarding higher than the peer average. UTA is working to bring their service standards more in line with the federal requirements, which could eventually bring an annual cost savings to the state of approximately $1.6 million.

**Promoting Accountability**

We provide information that helps decision makers address important issues, including the adequacy of governance structures. For example:

- In view of concerns raised about the UTA Board of Trustees’ independence, we found that the board should be more accountable to the Legislature. The passage of Senate Bill 231 (2008) clarified term limits and increased the number of members on the Board of Trustees, giving the Speaker of the House, the President of the Senate, and the Governor each the ability to appoint one member to the board.