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A Performance Audit of the School and Institutional Trust Lands Administration

**Improving Controls, Accountability,
and Proactive Management**

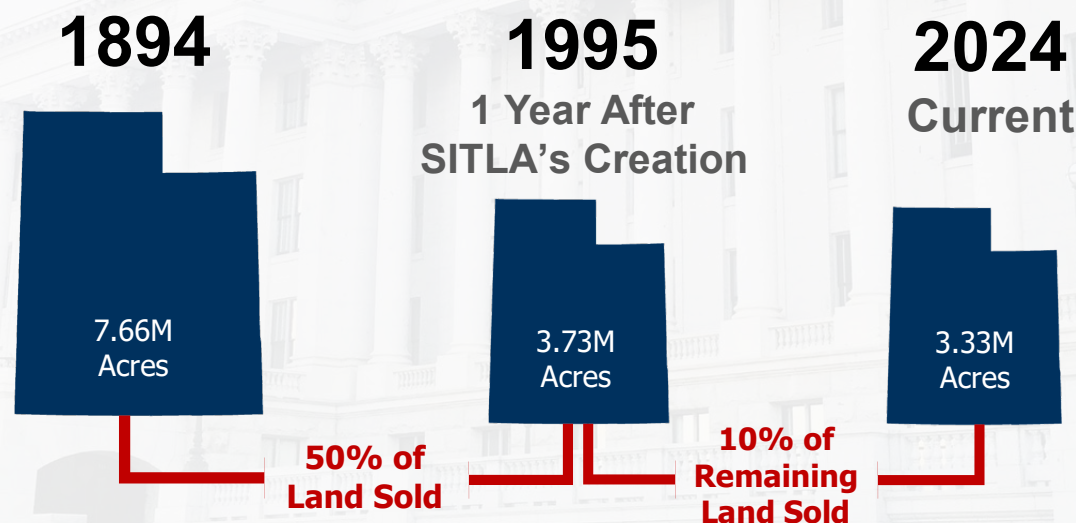
Natural Resources, Agriculture, and Environment
Interim Committee

September 18, 2024



The Trust Land System Implements the State's Fiduciary Duties

- *53C-1-102(2)*: "The trust principles impose fiduciary duties upon the state, including a duty of undivided loyalty to, and a strict requirement to administer the trust corpus for the exclusive benefit of, the trust beneficiaries."



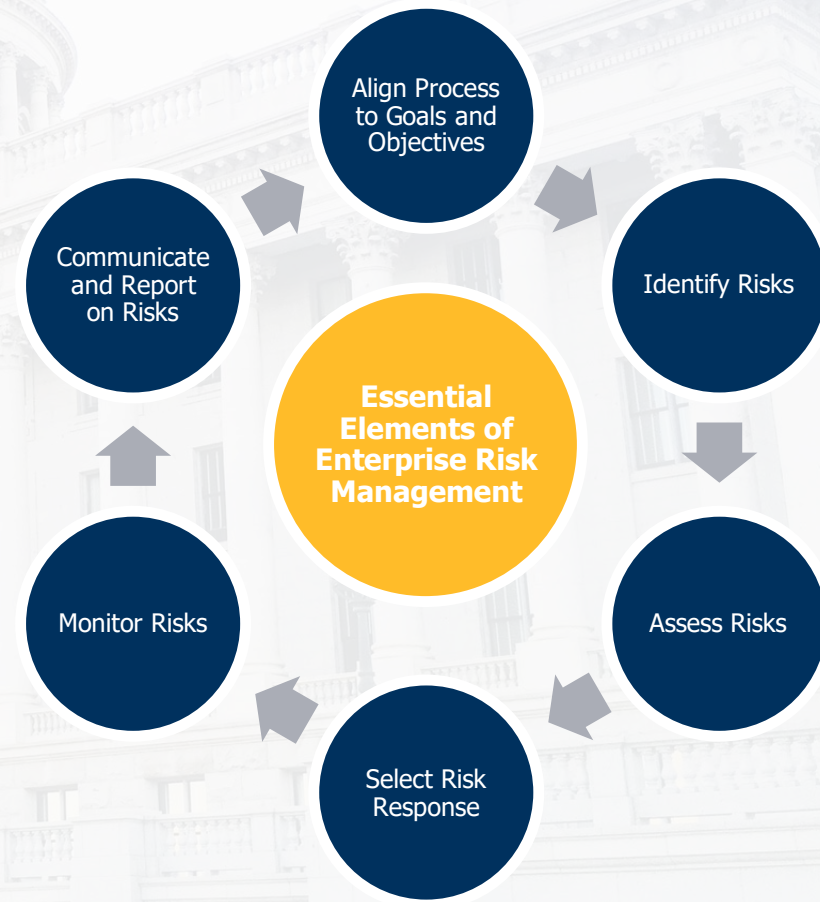


Chapter 1

SITLA Has Great Flexibility in Decision-Making, Controls Over Policy and Operations Should Be Stronger

SITLA Needs a Formal, Documented Approach For How It Handles Risks to Its Operations

- It appears that SITLA accepted the North Temple Landfill without fully quantifying its risks.
- SITLA identifies risks to its organization on a yearly basis but can improve its efforts to mitigate those risks.





Utah Code and *Administrative Rules* Grant SITLA Staff Significant Discretion, and Controls Should Be Stronger

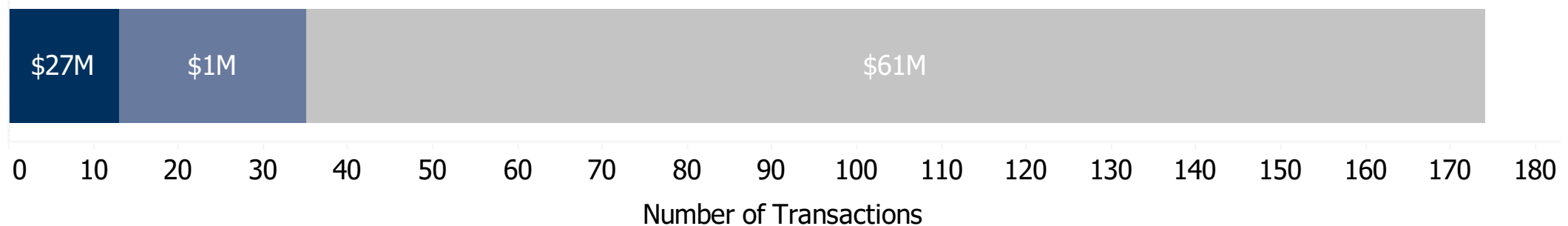
- Limited review of staff decision contributes to instances of inadequate or unfollowed policies

Level of Review

■ Board approval

■ Board notice

■ Staff





There were no identified instances where trust fund revenue was allocated to the wrong beneficiary.



Chapter 2

SITLA Can Improve Accountability Through Better Performance Tracking and Reporting



SITLA Board of Trustees Can Improve Accountability of Its Decision Making

- Many of SITLA's discussions for major transactions take place without a public accountability mechanism in place.
- SITLA board subcommittees make recommendations to the full board.
- Details about subcommittee discussions are not always brought to the level of the full board in its public meetings.



SITLA Can Improve Its Strategic Plan

What is the organization?	Does SITLA have it?
 VISION What we aspire to: motivates and inspires change from "here" to "there."	YES
 MISSION What we do and how we do it: identifies our reason for being and how we serve.	YES
 CORE VALUES Enduring, non-negotiable principles that we are truly committed: provides a purpose-driven foundation to guide our attitudes and behaviors.	YES
What does the organization want to accomplish?	
 GOALS Long-term outcomes that lead to the fulfillment of the vision: aligns efforts towards a worthy end.	YES
How does the organization achieve its goals?	
 OBJECTIVES A mid-range target that connects high-level goals and tactical strategies: highlights focus areas to assist in prioritizing resources to achieve the goal.	YES
 STRATEGIES Short-term tactics to implement our goals: provides a plan of action.	INCOMPLETE
 PERFORMANCE MEASURES Quantifiable representation of a result or goal: coordinates strategy resources, responsibilities, and timeline.	INCOMPLETE
 ANNUAL WORK PLAN Map for strategic plan: outlines strategies to be accomplished, budget and resources needed, timeline, and champions for the strategy.	YES



Chapter 3

SITLA Can Improve Effectiveness By Using Additional Best Practices in Asset Management



SITLA Should Improve Its Understanding of the Land It Manages

- SITLA does not have a comprehensive inventory of the value and characteristics of its land.
- Without this, SITLA cannot track changes in property values through time to make opportunity cost decisions and measure performance, limiting revenue generation.

Trust Lands

3.3 million
acres

Questions



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