



## Excellence in Evaluation Award Submission (Utah | 2023)

The Office of the Legislative Auditor General (OLAG) conducts performance audits of entities that receive public funds. Our mission is to serve the Utah Legislature and the citizens of Utah by providing objective and credible information, in-depth analysis, findings, and conclusions that help legislators and other decision makers improve programs, reduce costs, and promote accountability.

### Impact

Over the last five years, OLAG has devoted time and effort to furthering the impact of the office and its recommendations. These efforts include improved branding and messaging, more thorough follow-up of recommendations, and improved communication with legislative leadership, to help ensure the subjects of our audits inform the most pressing legislative and state priorities. All of these efforts were based on our newly created strategic plan (Appendix D).

### Improved Messaging

In order to make our audits more accessible to legislators and the public, we have done the following (Appendix E):

- Revamped our **website** to increase ease of access and points of entry into our reports (p. 1-2). This includes adding fast facts (p. 3), and direct links to the audit summary, presentation, and full report. We also added an “audits in process” summary, allowing legislators, the public, and the media an opportunity to follow audits and know when they are complete. (p. 4)
- Reformatted and restructured **audit reports** to make them more easily readable and increase the ways in which legislators can interact with the report. (p. 5-10) The refresh includes increased focus on findings, an improved report summary, a summary at the beginning of each chapter, and a comprehensive list of recommendations at the end.
- Increased **post-audit reporting**. To achieve peak implementation of audit recommendations, we increased the accountability for and access to the reports for legislators. For example, we regularly participate in the Utah House of Representatives’ podcast to discuss newly released audits. The audit subcommittee also now assigns all our reports to lead and review legislative interim committees to be lead and review (secondary) committees. When a report is heard by a lead or review committee, we document and report back to the Audit Subcommittee through the Lead and Review Committee Status Report (Appendix F). This has resulted in audits being presented 46 times to committees beyond the Audit Subcommittee.

## Improved Process for Reporting of Audit Follow Ups

OLAG's most visible impact is the implementation of our recommendations to audited entities and the Legislature. During the award period, our office has seen recommendations fully implemented or in process over 95 percent of the time.<sup>1</sup> In addition, recommendations from our reports during this time resulted in 52 enrolled bills, which is reflected in our annual General Session Impact Reports (Appendix G).

Examples of changes to *Utah Code* that resulted from our audits include the metering of secondary water, safety improvements to the 911 system, and the regulation of aboveground petroleum storage tanks. In order to make this information more accurate and accessible, we did the following:

- Previously, we **followed up** on recommendations made in audits once at the end of the year. Given that some recommendations require several years to implement fully, we added second- and third-year follow-ups on recommendations not fully implemented, beginning in 2020.
- We improved our **annual report format** (Appendix E p. 11-12).
- We added a **recommendation tracking tool** (p. 13-14), allowing users to determine where further action needs to be taken.

## Communication to Legislative Leadership has Increased

Current legislative leadership has been very interested in making sure the audits they prioritize are impactful and will inform state and legislative priorities. In order to make this process easier, OLAG revised our Audit Prioritization Matrix (Appendix E p. 15), placing requested audits in quadrants, highlighting the area of legislative priority.

## Award Submissions Demonstrate Impact and Complexity of Work

### A Performance Audit of the University of Utah's Laboratory Safety Practices:

This audit addressed serious safety issues that affected college laboratories across the country. The audit identified poor lab safety practices that were exacerbated by a lack of oversight. When the university identified lab safety violations, insufficient follow-up led to instances in which violations of safety protocols continued.

The broken system for lab safety risk management is being remedied by our recommended changes. The university president has prioritized and is enforcing a goal of no repeat safety deficiencies and as such, lab safety self-inspections are being increasingly utilized by lab personnel. In fact, the senior vice-president over research sent OLAG a letter stating that the audit "resulted in real changes and improvements that are making people's lives safer" (Appendix H). An example of the university's renewed commitment to lab safety was the unprecedented suspension of all research activities in the Chemistry Department in 2019. Labs

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<sup>1</sup> This number does not reflect many recommendations made in 2022 reports for which follow-ups have yet to occur.



could only resume operations after an inspection and corrective action was implemented.

#### **A Performance Audit of the Justice Reinvestment Initiative:**

The audit found that the Justice Reinvestment Initiative (JRI) had not been fully implemented. The goal of JRI was to slow the growing cost of the prison system by moving low-level, non-violent offenders out of prison and into community supervision. The audit found inadequate collaboration between numerous local and state agencies. The audit required extensive cleaning and analysis of data from eight county jails; hundreds of interviews with law enforcement, judges, and service providers; as well as a survey of probation and parole officers.

Since the report's release, we've followed up several times and found that while some recommendations have been fully implemented, many require additional time to implement. Based on our recommendations, in 2021, the Legislature established a working group of experts to provide periodic reports on its progress in creating a unified approach to reporting and sharing criminal justice data. In 2022, they further outlined and codified this taskforce while creating additional oversight.

#### **A Performance Audit of Utah's Election System and Controls:**

This audit found that existing election controls, if used properly, mitigate threats to election integrity. Nevertheless, by observing election operations and working with stakeholders across the state, the audit team found significant opportunities to refine and improve election processes and controls. Because in-person observation was so valuable to our work, our audit team trained other auditors in our office on election systems and sent small teams to visit all of Utah's 29 counties on the day of our primary election in June 2022. The effort paid off as these observations proved vital in formulating multiple audit findings.

Upon its release in December 2022, the audit was immediately impactful. During the 2023 Legislative General Session, the Legislature passed statute to implement 18 of the 22 audit recommendations, or all recommendations for which it was appropriate for the Legislature to take action. The Legislature also passed statute to require our office to conduct biennial election audits. This bill also added staff so the office can continue our other audit work at the same level.

#### **Time-Sensitive Audits Issued During Pandemic**

Like all other performance evaluation organizations, our office was faced with the unique challenge of auditing during the COVID-19 pandemic, which prevented in-person auditing for many months. Our office was also tasked with performing several time-sensitive audits related to the pandemic, including:

- COVID-19 Testing Levels and Positive Test Rates among Health Districts
- Messaging about Excess Testing Capacity Can Improve

- A Limited Review of COVID-19 Test Turnaround Times
- A Limited Review of State Emergency Contracting Practices
- A Limited Review of Public Education's COVID-19 Soft Closures

Most of these time sensitive audits were completed in around two to three weeks. The audits provided the Legislature with rapid information and recommendations to aid in our state's response to the pandemic.

## Body of Work

During the four-year award period, our office has produced the following, all under the new auditor general's leadership:

56 Full Audits

5 In-Depth Follow-ups

15 Informal Letter Reports

Aside from the traditional audits of state agencies, we audited entities such as the Inland Port Authority, the Salt Lake Valley Emergency Communications Center, the University Neuropsychiatric Institute, and the San Juan County Commission. We also assessed the financial impact and effectiveness of initiatives such as the Justice Reinvestment Initiative, the Rural Jobs Act, same-day voter registration, tax increment financing, and the woodburning appliance conversion program.

In recent years, we conducted several audits of public education. The audits ranged in scope, addressing topics such as administrative costs, financial reporting, teacher performance, teacher retention, and governance. To summarize these reports in a way that would allow users to access the most pertinent information with ease, we consolidated them into a comprehensive capstone report and interactive dashboards (Appendix I).

### OLAG Has Grown with Legislative Expansion of Its Role

During the 2021 General Session, the Legislature passed S.B.160, State Audit Amendments, which directs our office to conduct one or more audits per year of a local education agency's (LEA) appropriations. We are currently in the process of conducting our third LEA audit. The two completed audits identified numerous inefficiencies that, once corrected, will result in significant cost savings. Because of the success of these audits, in 2023 the Legislature appropriated money for additional staff, and we are in the process of creating an Education Excellence Division within OLAG.

Also in 2021, the Legislature passed H.B.326, Performance Reporting and Efficiency Requirements which compels our office to independently review the efficiency evaluations that all state agencies are required to conduct. To provide guidance to agencies as they perform these mandated evaluations, we developed a best practices handbook for new organizations in collaboration with the Governor's office



and NCSL. In order to continue to improve general state-wide efficiency, we are in the process of creating a Division of Performance Efficiency and Improvement within OLAG, with a Center for Auditing Excellence resource for internal auditors, to facilitate improvement of that executive branch function within the state.

Finally, the Legislature recently passed statute that requires us to create and manage a list of high-risk programs and operations within state government. Though the bill was passed in 2023, we have been working on this project since 2022. The bill also required that our office provide oversight to internal audit functions throughout the state and provided investigation authority in situations for which OLAG suspects fraud.

Because of these added responsibilities, as well as those added as a result of the elections audit, the Legislature has added 11 additional staff since 2019.

## **Furthering the Field of Performance Auditing**

We have been consistent contributors to NLPES, NCSL and other similar organizations throughout the award period.

- OLAG hosted the NLPES Professional Development Seminar in Park City in 2019, setting a record for attendance.
- OLAG has had a member serving on NLPES' Executive Committee since 2020
- OLAG staffed peer reviews in three other states
- OLAG was peer reviewed in 2021, receiving positive feedback (Appendix J)
- Our office director served as state representative to the Mountain and Plains Region of the Intergovernmental Audit Forum in 2021

We have also provided training and consultation to several groups.

- OLAG trained all internal audit directors in Utah government on performance audit in 2021
- We provided audit training to Utah's chapter of the ACFE in 2020
- We presented an introduction to performance auditing to students at the University of Utah and Westminster College in 2019
- We gave a performance audit presentation to the National State Auditors' Association in 2021
- We testified to a joint legislative committee of the Pennsylvania General Assembly regarding our referral process to subject-matter interim committees (the Lead and Review Committees mentioned earlier).