

UTAH STATE AUDITOR APPLICATION

Category: Cross-Boundary Collaboration & Partnership

Contact: David Fletcher  
State of Utah  
Project Initiation and Completion Dates:  
October 2014 – December 2015

NASCIO 2016

---

## EXECUTIVE SUMMARY

The Local Government Division of the state auditor's office ensures uniform accounting, budgeting, and financial reporting by Utah's local governments. This is done by providing consultation, budget forms, and uniform accounting guidelines and services for counties, municipalities, school districts, and local districts.

The Division reviews independent audits of all units of local government for compliance with reporting standards and conformity with generally accepted accounting principles and State law. The Division also presents training to local government officials and to CPA's conducting governmental audits.

In December 2015, the Office of the Utah State Auditor launched a new local government reporting system. This system allows local government and nonprofit entities to easily:

- View their reporting requirements
- Submit reports
- Update their contact information
- Download report templates

---

## **Exemplar**

### **Visionary**

One of the primary responsibilities of government is to help oversee and regulate organizations within its jurisdiction.

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of the financial reports of the State of Utah as well as other government entities within the State, including institutions of higher education. The auditor also assesses the overall financial operation, statutory compliance, and performance management for state and local government entities.

The application used to coordinate and conduct these audits is housed within the auditor's website and helps facilitate the process of gathering, following up on, reporting the agencies audits.

### **Transformational**

The online application refined an existing process that depended on coordinating follow-up with individuals across the state at various agencies at different levels of government. The new application, allows users within each agency in Utah to log in and submit details and documentation for audits that will financially impact their agency. Multiple users from a department are able to log in and work on the same audit report at the same time.

Administrators from the auditor's office are able to log in and see all of the submissions from multiple local governments. From this information the administrators are able to manage the process of completing audits for agencies.

This level of visibility of audits allows the auditor to better complete its mission to provide independent assessment of financial operation, statutory compliance, and performance management for state and local government.

## **Concept**

### **Problem**

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government. However, the process of gathering the documents necessary to complete an audit is a complex process. Documents must be compiled, submitted, and reviewed to assure that it has the detail necessary to conduct the audit. This process often resulted in a long back-and-forth exchange of information until the correct information was gathered.

## **Solution**

The auditor application represents a significant improvement of the existing system. The system now allows local governments to upload documents for review by state auditors. Administrators can review documents and seek further clarification or request changes to document using the system. After auditors complete an audit the system can be used to post reports available to the public.

One of the primary improvements to the system is the ability to use a simple online dashboard to manage the status of audits across the state. The system also allows administrators to place organizations access to state funds on hold, frozen, or free for use. The application is a useful online tool that gives the state a strong control of taxpayers money and public assets.

## **Costs**

The state employed an in-house developer to create the basis for the backend system to share audit information. The rest of the system, including the user interface was provided for \$75,000 to the state.

## **Accessibility and Security**

**Accessibility:** While accommodating over 667 browser and operating system combinations in addition to enabling digital assistants, semantic search, and structured markup, Utah uses audit tools to inform 508 compliance for disability accessibility.

**Security:** Security is a top priority while completing 2,955,101 transactions.  
<http://www.utah.gov/security.html>.

**Privacy:** <http://www.utah.gov/privacypolicy.html>.

## **Marketing**

The auditor website and tool was marketed by an internal communications and training plan. The website itself contains the information needed to learn who should use and how to use the auditor application.

One example of the training available is found at the link below.  
<https://utstateauditor.adobeconnect.com/p93883u6cui/>

---

## **Significance**

### **Consequence**

The state auditor is tasked with the mission to “audit each permanent fund, each special fund, the General Fund, and the accounts of any department of state government or any independent agency or public corporation on a regular basis as the auditor shall determine necessary or upon request of the governor or the Legislature.” The auditor’s online application enables the auditor’s staff to complete this mission in the most efficient way possible.

The state auditor currently audit’s over 1400 entities at the state, including cities, counties, housing authorities, fire districts, schools and other government type agencies. Over the years, they have collected over 36,000 reports as PDF documents. This scale of documents are now more efficiently collected and analyzed by the Auditor’s office.

### **Relevance**

The auditor’s office provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government. The Office of the Utah State Auditor audits state funds by authority of the Utah Constitution and the Utah Code.

## Impact

### Change

The previous system was running on a PC under the desk of one of the Auditor's that built the system. It was built on a .Net platform by one of the auditors as a side task. It was a proof of concept that did not designed for security, scalability or uptime constraints.

The new reporting system was just deployed in January 2016 with a single sign on system connected to the rest of Utah.gov. Previously, usernames and passwords were not stored securely.

The new system is built in a redundant hot-hot environment with 99.999% uptime. Each hardware layer is redundant and is backed up nightly.

Another important impact will be to the quality of the information collected. The user interface guides each local government in submitting the correct information to the Auditor's office. The local governments are also better able to track what has been submitted and what is outstanding. In the attached photo, Beaver Conservation District has 15 different types of reports to be submitted to the Auditor's office.

The screenshot shows the 'LOCAL GOVERNMENT REPORTING SYSTEM' interface for the 'OFFICE OF THE UTAH STATE AUDITOR'. The user is logged in as Michael Rice. The main form is for uploading a 2016 Financial Statement document for Beaver Conservation District. A dropdown menu for 'Document Type' is open, showing 15 options: Financial Statement, Agreed Upon Procedures, Amended Budget, Approved Budget, Compilation, Financial Statement, Financial Survey, Form 990, Impact Fees, Mid level Entity Financial Report, Other, Review, Schedule of Expenditure of State Awards (SESA), Self Assessment Questionnaire, Small Entity Financial Report, and Upload Financial Certification. The 'Document' section shows a 'Choose Document' field with a 'Browse...' button and 'No file selected.' The right sidebar contains user information, a 'LOG OFF' button, and a 'Request Access' section with instructions on how to upload documents and contact information.

**Chief Administrative Officers and CFO's for the Local Entities are also able to certify electronically that the documents are accurate and correct via email or by paper uploads.**

Utah State Code 11-50-201 requires both the chief administrative officer and the chief financial officer to certify that the financial statements fairly present in all material respects the financial condition and results of operations of the entity.

## **Measurement**

The auditor's staff deals with an enormous task of managing thousands of document from 1400 entities each year. Not only are they collecting documents, they are required to have two officers from the entity to certify these documents. The new system streamlines these clerical and time consuming tasks, allowing the auditor's to focus on studying the financial information rather than trying to collect the information.

In 2015, the Auditor's office paid \$4,485,767 in employee compensation. A 5% increase in efficiency for the people working in the Auditor's Office would be worth over \$200,000 to the agency.

The new system was deployed immediately after the last deadline of filings that were submitted to the Auditor's Office. The next deadline for local governments is July 1, 2016 so the real impact to the end users will be able to be measured within the next two months.

The state auditor currently audit's over 1400 entities at the state, including cities, counties, housing authorities, fire districts, schools and other government type agencies. Over the years, they have collected over 36,000 reports as PDF documents. This scale of documents are now more efficiently collected and analyzed by the Auditor's office.