



OFFICE OF THE
UTAH STATE AUDITOR

News Release
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Office of the Utah State Auditor Releases
Washington County School District
Report on Internal Control and Compliance Over Credit Card Use

Salt Lake City, UTAH –

The Office of the Utah State Auditor (Office) today released its *Washington County School District Report on Internal Control and Compliance Over Credit Card Use*. For the period May 2014 through May 2015, the Office reviewed both the District credit card account and an account held in the name of the Business Administrator that is used for District business and paid by the District.

The Office identified 3 findings during its review of the Washington County School District:

1. Noncompliance with District credit card policies such as failing to obtain or document required approvals and price quotes and artificially dividing purchases to avoid obtaining required bids.
2. An unusual compensation arrangement allowing the Business Administrator to steer District purchases through his personal credit card to enhance the rewards earned for personal benefit. The District pays the credit card bill and then the Business Administrator repays the District for any personal purchases. This arrangement improperly puts the burden on the District to obtain repayment for personal purchases.
3. District funds were used to pay for personal travel expenses which were not reimbursed by 4 of the 7 District employees until 5 months after the initial expenditure was made and shortly after the Office of the State Board of Education (OSBE) internal auditors began an audit of the District.

The Office report highlights a pattern of weak compliance by District administration. Simultaneously, the OSBE audit report of Enterprise High School (Audit Report 2015-14, February 2016) identifies weaknesses within the District at the school level. Both reports identify opportunities for the District to improve.

State Auditor John Dougall said, “Accountable organizations create policies and procedures to strengthen operations and improve financial oversight. Failure to follow well-structured policies and procedures results in lax oversight and can lead to waste or misuse of taxpayer funds.”

The full report may be found on the Office’s website, auditor.utah.gov, specifically at <https://secure.utah.gov/auditor/osaReports/downloadReport.html?reportId=9837>.

About the Office of the Utah State Auditor

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.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Utah State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every four years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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