



OFFICE OF THE  
**UTAH STATE AUDITOR**

News Release

For Immediate Release

July 29, 2013

**Office of the Utah State Auditor Announces Plans to Audit Utah's School Districts and Charter Schools for Compliance with New State Board of Education Fiscal Policies**

*Recently Adopted Administrative Rule R277-113 Focuses on Fiscal Policies and Accountability*

Salt Lake City, UTAH –

The Utah State Board of Education adopted administrative rule R277-113 (“LEA Fiscal Policies and Accountability”), effective April 22, 2013. This rule requires all Local Education Agencies (“LEAs”) to formally adopt and implement policies regarding the management and use of public funds, and it sets forth relevant responsibilities of both the Board and LEAs.

Local Education Agencies, including Utah’s public school districts and charter schools, must implement the fiscal policies required in R277-113 by September 15, 2013. The Office of the Utah State Auditor (“Office”) has recently notified all LEAs that within approximately one year from the effective date, it is the intent of the Office, working in coordination with the Utah State Office of Education, to commence auditing compliance with the new rule and related statutes recently passed by the Utah Legislature, including:

- Utah Procurement Code (Utah Code 63G-6a): 2013 General Session S.B. 190 made many substantial changes that will directly affect LEAs. In particular, a new section was enacted (section 2304.5) to address and set forth penalties for the unlawful use of gratuities, kickbacks, and position or influence during the procurement process and contract administration. Section 2305 sets forth penalties for artificially dividing a purchase (i.e., splitting invoices).
- Utah Public Officers’ and Employees’ Ethics Act (Utah Code 67-16, sections 4 and 5): These sections address prohibited gifts, compensation, and loans as well as using position to secure privileges or exemptions.
- Utah Educator Standards (R277-515-3): This section addresses accepting bonuses, incentives, gifts, and donations; giving gifts; promoting certain activities; and using school property, facilities, and equipment.



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Board Members, District Administrators, and School Administrators all have responsibilities under these new fiscal and accountability policies and ethics regulations.

The new rules can be found at <http://www.rules.utah.gov/publicat/code/r277/r277-113.htm>.

**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 & 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 4 years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution.

Auditor.Utah.gov

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