



TINA M. CANNON
UTAH STATE AUDITOR

FOR IMMEDIATE RELEASE

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Federal Funds Compliance Audit Released by the Office of the Utah State Auditor

Audit Revealed 18 Findings Related to Financial Reporting Errors, Noncompliance with Accounting Standards and Inadequate Oversight of Taxpayer Funds—Demonstrates Need for State to Prioritize Retaining Professional, Qualified, and Skilled Accounting Personnel

Salt Lake City, UTAH – The Office of the Utah State Auditor (Office) released its Single Audit Report of the Fiscal Year 2024 expenditures of federal funds by the State of Utah (State). The report verifies the oversight of more than \$9 billion in federal funds and the State's compliance with federal regulations governing their use. Eighteen audit findings related to financial reporting errors, noncompliance with accounting standards, and inadequate oversight of taxpayer funds are included. The full report, including all findings, is publicly available at: <https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=015Do0000017hFGIAY>

State Auditor Tina M. Cannon commented, “This audit details several findings requiring corrective action by State departments and agencies, both to fulfill financial reporting requirements and to ensure proper oversight of taxpayer funds. To address these issues, we recommend that the State of Utah prioritize competitive salaries, professional development opportunities, and retention strategies for experienced accounting personnel.”

The audit was conducted in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The audit reports on compliance and internal control, at the financial statement level, at the major federal program level, and the Schedule of Expenditure of Federal Awards.

Auditor Cannon continued, “Strengthening financial management across all federal programs requires personnel with appropriate accounting expertise, including proficiency in Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) regulations, and internal control frameworks. The ability to attract, train, and retain skilled professionals will mitigate the risk of financial misstatements, inefficiencies, and potential mismanagement of public funds.”

The Federal Government mandates that the State conduct a comprehensive audit of its financial statements and federal programs as a prerequisite for receiving federal financial assistance. This audit, known as the “single audit,” assesses compliance with laws, regulations, and internal controls related to major programs. These programs are categorized as Type A, which includes those with federal expenditures exceeding \$27,006,000, and Type B, which fall below this threshold. In fiscal year 2024, the State had 27 Type A programs and numerous Type B programs.

The Office of the Utah State Auditor operates independently from other State agencies and departments. Its staff must adhere to professional and ethical standards in compliance with statutory accountability requirements. The audit obtained evidence sufficient and appropriate to provide a basis for its opinion on compliance for each major federal program.

About the Office of the State Auditor

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operations, statutory compliance, and performance management, including development of interactive tools, for state and local government to ensure complete transparency and access to information for all. The State Auditor protects personal privacy rights and audits government entities to ensure statutory compliance.

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

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