

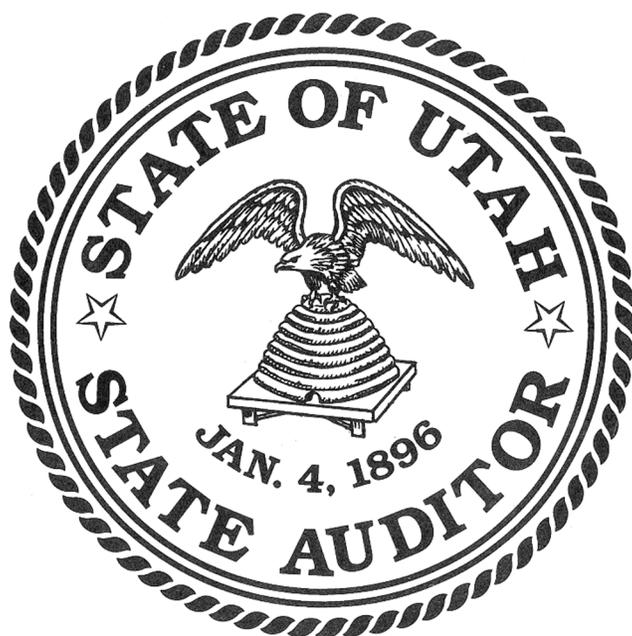
# Uintah Basin Technical College

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Management Letter  
For the Year Ended June 30, 2020

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Report No. 20-35



## OFFICE OF THE STATE AUDITOR

### AUDIT LEADERSHIP:

John Dougall, State Auditor  
Bertha Lui, CPA, Senior Audit Manager  
Abby Potter, CPA, Senior Auditor

**UINTAH BASIN TECHNICAL COLLEGE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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<u>Finding Type:</u>	<u>Applicable To:</u>
MW Material Internal Control Weakness	s State Financial Statements
SD Significant Deficiency of Internal Control	f Federal Program
MN Material Noncompliance	e Entity Financial Statements
RN Reportable Noncompliance or Illegal Acts	



OFFICE OF THE  
**STATE AUDITOR**

**MANAGEMENT LETTER NO. 20-35**

June 17, 2021

Aaron K. Weight, President  
Uintah Basin Technical College  
1100 East Lagoon Street 124-5  
Roosevelt, Utah 84066

Dear President Weight:

This management letter is issued as a result of our audit of Uintah Basin Technical College's (the College's) portion of the statewide federal compliance audit (Single Audit) for the year ended June 30, 2020. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Our final reports on internal controls and on compliance required under *Government Auditing Standards* and federal *Uniform Guidance* will be issued under separate cover. These reports will also provide further detail as to considerations made during the course of the audit regarding internal controls and compliance, both at the financial statement and at the federal program level, and the limited purposes of those considerations. The purpose of this letter is to communicate with College management concerns identified during the course of our audit.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees to prevent or to detect and correct on a timely basis misstatements, errors, or instances of noncompliance. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements, errors, or noncompliance are not prevented or are not detected and corrected on a timely basis.

During our audit, we became aware of a certain deficiency in internal control (Finding 1) which is reported as an opportunity for strengthening internal controls and operating efficiencies.

The purpose of this communication is solely to describe the scope of our testing of internal control over compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's internal control over compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this letter is a matter of public record, and as such, its distribution is not limited.

We appreciate the courtesy and assistance extended to us by College personnel during the course of our audit, and we look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Bertha Lui".

Bertha Lui, CPA  
Senior Audit Manager  
801-808-0481  
blui@utah.gov

cc: Keith Sprouse, CPA, Vice President Fiscal Services

## Finding and Recommendation

### 1. Lack of Controls and Documentation on Procurement

Uintah Basin Technical College (the College) did not have a review or approval process to ensure compliance with Federal procurement requirements. 2 CFR 200.303 requires non-federal entities to “establish and maintain effective internal control ... that provides reasonable assurance that the non-federal entity is managing [the program] in compliance with ... terms and conditions of the federal award.”

In addition, the College did not document the decision process for its only procurement transaction, including the justification for making a sole-source purchase. 2 CFR 200.318 (i) requires that “the non-Federal entity ... maintain records sufficient to detail the history of procurement. These records will include ... rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.”

Because the College has very few procurement transactions, management was unfamiliar with the related federal requirements and did not ensure compliance. Although the determination to conduct a noncompetition procurement was reasonable due to the Coronavirus national emergency, lack of control procedures and lack of documentation increases the risk that the College could inappropriately conduct its procurement process.

#### Recommendation:

We recommend the College familiarize itself with federal procurement requirements and establish a control procedure to ensure compliance with federal procurement requirements, particularly documenting its decision and justification for making a sole-source purchase.

#### College's Response:

*In response to Management Letter No. 20-35, the College agrees with the finding. We will establish controls and procedures to comply with federal procurement requirements, including adequate documentation for sole source purchases.*