



OFFICE OF THE
STATE AUDITOR



◦ STATE OF UTAH ◦

University of Utah

Audit Management Letter

For the year ended June 30, 2023

Report No. 23-25

March 6, 2024

Office of the State Auditor

Audit Leadership:

John Dougall, State Auditor

Bertha Lui, CPA, Audit Director

Jordan Kattelman, CPA, Audit Supervisor

Table of Contents

Management Letter No. 23-25	1
Findings & Recommendations	3
Finding 1. Errors in Higher Education Emergency Relief Fund Quarterly Reports ..	3



OFFICE OF THE
STATE AUDITOR

Management Letter No. 23-25

March 7, 2024

Taylor R. Randall, President
University of Utah
201 S. President's Circle, Room 203
Salt Lake City, UT 84115

Dear President Randall:

This management letter is issued as a result of our audit of the State of Utah's basic financial statements as of and for the year ended June 30, 2023. It is also issued as a result of the University of Utah's (University) portion of the statewide federal compliance audit (Single Audit) for the year ended June 30, 2023. 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 University 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.

Based on the audit procedures performed, we identified a certain deficiency in internal control (Finding 1) that is 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 University'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 report is a matter of public record, and as such, its distribution is not limited.

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

Sincerely,



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

cc: Anthony Jones, Executive Director of Scholarships and Financial Aid
Theresa Ashman, Associate Vice President of Financial Services
Steven Phillips, Senior Director and Controller

Findings & Recommendations

Finding 1. Errors in Higher Education Emergency Relief Fund Quarterly Reports

Federal Agency: Department of Education

Assistance Listing Number and Title: 84.425E Higher Education Emergency Relief Fund (HEERF) Student Aid
84.425F HEERF Institutional Aid

Federal Award Number: P425E201701, P425F201626, and P425M200131

Questioned Costs: N/A

Pass-through Entity: N/A

Prior Year Single Audit Report Finding Number: N/A

From a statewide sample of six reports, two of the University's Higher Education Emergency Relief Fund (HEERF) quarterly reports tested contained the following errors.

- The cumulative HEERF institutional awards received on both the September 30, 2022 and December 31, 2022 reports was not reported.
- The cumulative HEERF student awards received on the September 30, 2022 report was not reported correctly.
- The amount of remaining HEERF student funds was not consistent with other report elements on both the September 30, 2022 and December 31, 2022 reports.

The University's control procedures failed to detect these inaccuracies. Federal regulations (2 CFR 200.303) require entities to "establish and maintain effective internal control...that provides reasonable assurance that the...entity is managing [the program] in compliance with...terms and conditions of the federal award." Federally required reports should contain accurate and consistent data, and the University is responsible for ensuring data is accurate and consistent. These data inaccuracies could allow users to reach inappropriate conclusions and to make improper decisions.

Recommendation:

We recommend that the University implement effective control procedures to ensure all required reports of the federal financial assistance programs contain accurate and consistent data.

University's Response:

The University of Utah acknowledges and agrees with this internal control finding. Although a good faith effort was made by university personnel to synthesize the many changes to policy guidance and data requests issued by the U.S. Department of Education, we recognize there were missing items or inconsistencies in data reported on two quarterly reports. The university has identified the corrections needed on each of the quarterly reports. We will correct the quarterly reports as soon as possible based

on federal guidelines; we recognize there are restrictions on dates when corrections can be made in the federal portal, which may limit when we can make corrections, but our goal is to pursue these corrections within 30 days of this letter.

Corrective Action Plan:

For the Corrective Action Plan (CAP), the university will ensure all relevant staff assigned a reporting role review applicable guidance thoroughly, and participate in related training timely.

Contact Persons: Anthony Jones, Executive Director of Scholarships and Financial Aid, (801)581-7466
Kimberly Adamson, Senior Director of Accounting & Finance, (801) 581-5057