



OFFICE OF THE
UTAH STATE AUDITOR

News Release
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**Office of the Utah State Auditor Releases
Report on Utah Local Governments Trust**
Investigation shows Trust fosters “culture of excess”

Salt Lake City, UTAH –

The Office of the Utah State Auditor (Office) today released its Report on the Utah Local Governments Trust (Trust) for calendar years 2014 and 2015. The Utah Local Governments Trust was organized as an “Interlocal Entity” which is designed to permit local government entities to cooperate for mutual advantage, such as obtaining more reasonable rates of insurance.

After reviewing sample transactions, the Office noted that several Trust expenditures appear to have been unnecessary and primarily for the benefit of board members rather than the local government entities which are members of the Trust (member entities). Sampled transactions certainly indicate the absence of effective oversight on behalf of the member entities and ultimately the taxpayers of those entities. Sampled excessive transactions include dinner for board members and spouses at Ruth’s Chris Steak House (high end steak house), 9 nights and 23 meals for board members, employees, and spouses at the Grand America Hotel, and out-of-town trips with similarly expensive meals and accommodations.

In addition, the Trust’s CEO in 2015 received total compensation of \$432,231. According to a 2014 executive compensation survey, this salary is 86% higher than the average CEO salary of similar entities and approximately 130% higher than the Director of the State of Utah Division of Risk Management.

Utah State Auditor John Dougall said, “The audit noted a culture of excess at the Trust and raises questions about whether the Trust is truly operating as a prudent steward of public resources.”

The full report may be found on the Office’s website, auditor.utah.gov, specifically at <http://financialreports.utah.gov/saoreports/2016/15-ULGT-8LUtLocalGovtTrustUtahLocalGovernmentsTrust.pdf>.

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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