

1           **OFFICE OF LEGISLATIVE AUDITOR GENERAL REQUIREMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jefferson S. Burton**

Senate Sponsor: Michael K. McKell

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3 **LONG TITLE**

4 **General Description:**

5       This bill establishes requirements related to the Office of the Legislative Auditor General.

6 **Highlighted Provisions:**

7       This bill:

8       ▸ defines terms;

9       ▸ requires the chief officer of an entity that the Office of the Legislative Auditor General  
10 (OLAG) audits to prepare a written audit response plan addressing each recommendation in  
11 OLAG's audit report;

12       ▸ requires OLAG to attach the audit response plan described above to the audit report;

13       ▸ vests the legislator auditor general with discretion to prepare a written reply to an audit  
14 response plan;

15       ▸ in certain circumstances, instructs the chief officer described above to update the audit  
16 response plan on a semi-annual basis and to submit the update to:

17           • the legislative committee designated by the Audit Subcommittee; and

18           • the legislative auditor general;

19       ▸ provides that the chief officer's obligation to update an audit response plan terminates  
20 when OLAG reports to the Audit Subcommittee that the chief officer has fully implemented  
21 each recommendation in the audit report;

22       ▸ clarifies the Audit Subcommittee's and OLAG's responsibilities in relation to an entity  
23 that fails to implement a recommendation included in a previous audit report;

24       ▸ grants OLAG the authority to annually perform a systemic performance audit of one or  
25 more institutions of higher education or independent entities;

26       ▸ requires OLAG to evaluate an institution of higher education's admissions practices in  
27 conducting an audit described above;

- 28       ▶ clarifies that OLAG's request for data and materials from the Utah Data Research Center  
 29 (UDRC) in connection with an audit of an entity is not a data research request or request for a  
 30 data set;
- 31       ▶ in connection with OLAG's audit of an entity:
- 32           • requires the UDRC to provide OLAG with data and materials that is not  
 33 de-identified; and
- 34           • prohibits the UDRC from charging OLAG a fee for completing a request for data and  
 35 materials; and
- 36       ▶ makes technical and conforming changes.

37 **Money Appropriated in this Bill:**

38       None

39 **Other Special Clauses:**

40       None

41 **Utah Code Sections Affected:**

42 AMENDS:

- 43       **36-12-8**, as last amended by Laws of Utah 2016, Chapter 403  
 44       **36-12-15**, as last amended by Laws of Utah 2023, Chapter 21  
 45       **36-12-15.1**, as last amended by Laws of Utah 2023, Chapter 21  
 46       **53B-33-101**, as last amended by Laws of Utah 2023, Chapter 84  
 47       **53B-33-301**, as last amended by Laws of Utah 2023, Chapter 21

48 ENACTS:

- 49       **36-12-15.3**, Utah Code Annotated 1953

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51 *Be it enacted by the Legislature of the state of Utah:*

52       Section 1. Section **36-12-8** is amended to read:

53       **36-12-8 . Legislative Management Committee -- Research and General Counsel**  
 54 **Subcommittee -- Budget Subcommittee -- Audit Subcommittee -- Duties -- Members --**  
 55 **Meetings.**

56 (1) There are created within the Legislative Management Committee:

- 57       (a) the Research and General Counsel Subcommittee;
- 58       (b) the Budget Subcommittee; and
- 59       (c) the Audit Subcommittee.

60 (2) (a) The Research and General Counsel Subcommittee, comprising six members,  
 61 shall recommend to the Legislative Management Committee a person or persons to

- 62 hold the positions of director of the Office of Legislative Research and General  
63 Counsel and legislative general counsel.
- 64 (b) The Budget Subcommittee, comprising six members, shall recommend to the  
65 Legislative Management Committee a person to hold the position of legislative fiscal  
66 analyst.
- 67 (c) The Audit Subcommittee shall comprise:
- 68 (i) the president, majority leader, and minority leader of the Senate; and  
69 (ii) the speaker, majority leader, and minority leader of the House of Representatives.
- 70 (d) The Audit Subcommittee shall:
- 71 (i) recommend to the Legislative Management Committee a person to hold the  
72 position of legislative auditor general; and  
73 (ii) (A) review all requests for audits;  
74 (B) prioritize those requests;  
75 (C) hear all audit reports and refer those reports to other legislative committees for  
76 their further review and action as appropriate; and  
77 (D) when notified by the legislative auditor general~~[-or state auditor]~~ that a  
78 subsequent audit has found that an entity has not implemented a previous audit  
79 recommendation, refer the audit report to an appropriate legislative committee  
80 and also ensure that an appropriate legislative committee conducts a review of  
81 the entity that has not implemented the previous audit recommendation.
- 82 (3) The members of each subcommittee of the Legislative Management Committee, other  
83 than the Audit Subcommittee, shall have equal representation from each major political  
84 party and shall be appointed from the membership of the Legislative Management  
85 Committee by an appointments committee comprised of the speaker and the minority  
86 leader of the House of Representatives and the president and the minority leader of the  
87 Senate.
- 88 (4) Each subcommittee of the Legislative Management Committee:
- 89 (a) shall meet as often as necessary to perform its duties; and  
90 (b) may meet during and between legislative sessions.

91 Section 2. Section **36-12-15** is amended to read:

92 **36-12-15 . Office of the Legislative Auditor General established -- Qualifications**  
93 **-- Powers, functions, and duties -- Reporting -- Criminal penalty -- Employment.**

94 (1) As used in this section:

95 (a) "Audit action" means an audit, examination, investigation, or review of an entity

96 conducted by the office.

97 [(a)] (b) "Entity" means:

98 (i) a government organization; or

99 (ii) a receiving organization.

100 [(b)] (c) "Government organization" means:

101 (i) a state branch, department, or agency; or

102 (ii) a political subdivision, including a county, municipality, special district, special  
103 service district, school district, interlocal entity as defined in Section 11-13-103,  
104 or any other local government unit.

105 (d) "Office" means the Office of the Legislative Auditor General.

106 [(e)] (e) "Receiving organization" means an organization that receives public funds that  
107 is not a government organization.

108 (2) There is created the Office of the Legislative Auditor General as a permanent staff  
109 office for the Legislature.

110 (3) The legislative auditor general shall be a licensed certified public accountant or certified  
111 internal auditor with at least seven years of experience in the auditing or public  
112 accounting profession, or the equivalent, prior to appointment.

113 (4) The legislative auditor general shall appoint and develop a professional staff within  
114 budget limitations.

115 (5) The [~~Office of the Legislative Auditor General~~] office shall exercise the constitutional  
116 authority provided in Utah Constitution, Article VI, Section 33.

117 (6) Under the direction of the legislative auditor general, the [~~Office of the Legislative  
118 Auditor General~~] office shall:

119 (a) conduct comprehensive and special purpose audits, examinations, investigations, or  
120 reviews of entity funds, functions, and accounts;

121 (b) prepare and submit a written report on each [~~audit, examination, investigation, or  
122 review~~] audit action to the Audit Subcommittee created in Section 36-12-8 and make  
123 the report available to all members of the Legislature within 75 days after the [~~audit,  
124 examination, investigation, or review~~] audit action is completed;

125 (c) monitor, conduct a risk assessment of, or audit any efficiency evaluations that the  
126 legislative auditor general determines necessary, in accordance with Title 63J,  
127 Chapter 1, Part 9, Government Performance Reporting and Efficiency Process, and  
128 legislative rule;

129 (d) create, manage, and report to the Audit Subcommittee a list of high risk programs

- 130 and operations that:
- 131 (i) threaten public funds or programs;
- 132 (ii) are vulnerable to inefficiency, waste, fraud, abuse, or mismanagement; or
- 133 (iii) require transformation;
- 134 (e) monitor and report to the Audit Subcommittee the health of a government
- 135 organization's internal audit functions;
- 136 (f) make recommendations to increase the independence and value added of internal
- 137 audit functions throughout the state;
- 138 (g) implement a process to track, monitor, and report whether the subject of an audit has
- 139 implemented recommendations made in the audit report;
- 140 (h) establish, train, and maintain individuals within the office to conduct investigations
- 141 and represent themselves as lawful investigators on behalf of the office;
- 142 (i) establish policies, procedures, methods, and standards of audit work and
- 143 investigations for the office and staff;
- 144 (j) prepare and submit each audit and investigative report independent of any influence
- 145 external of the office, including the content of the report, the conclusions reached in
- 146 the report, and the manner of disclosing the legislative auditor general's findings;
- 147 (k) prepare and submit the annual budget request for the office; and
- 148 (l) perform other duties as prescribed by the Legislature.
- 149 (7) In conducting an [~~audit, examination, investigation, or review~~] audit action of an entity,
- 150 the [~~Office of the Legislative Auditor General~~] office may include a determination of any
- 151 or all of the following:
- 152 (a) the honesty and integrity of any of the entity's fiscal affairs;
- 153 (b) the accuracy and reliability of the entity's internal control systems and specific
- 154 financial statements and reports;
- 155 (c) whether or not the entity's financial controls are adequate and effective to properly
- 156 record and safeguard the entity's acquisition, custody, use, and accounting of public
- 157 funds;
- 158 (d) whether the entity's administrators have complied with legislative intent;
- 159 (e) whether the entity's operations have been conducted in an efficient, effective, and
- 160 cost efficient manner;
- 161 (f) whether the entity's programs have been effective in accomplishing intended
- 162 objectives; and
- 163 (g) whether the entity's management control and information systems are adequate and

164 effective.

165 (8) (a) If requested by the [~~Office of the Legislative Auditor General~~] office, each entity that  
166 the legislative auditor general is authorized to audit under Utah Constitution,  
167 Article VI, Section 33, or this section shall, notwithstanding any other provision of law except  
168 as provided in Subsection (8)(b), provide the office with access to information, materials, or  
169 resources the office determines are necessary to conduct an audit, examination, investigation,  
170 or review, including:

171 (i) the following in the possession or custody of the entity in the format identified by  
172 the office:

173 (A) a record, document, and report; and

174 (B) films, tapes, recordings, and electronically stored information;

175 (ii) entity personnel; and

176 (iii) each official or unofficial recording of formal or informal meetings or  
177 conversations to which the entity has access.

178 (b) To the extent compliance would violate federal law, the requirements of Subsection  
179 (8)(a) do not apply.

180 (9) (a) In carrying out the duties provided for in this section and under Utah  
181 Constitution, Article VI, Section 33, the legislative auditor general may issue a subpoena to  
182 access information, materials, or resources in accordance with Chapter 14, Legislative  
183 Subpoena Powers.

184 (b) The legislative auditor general may issue a subpoena, as described in Subsection  
185 (9)(a), to a financial institution or any other entity to obtain information as part of an  
186 investigation of fraud, waste, or abuse, including any suspected malfeasance,  
187 misfeasance, or nonfeasance involving public funds.

188 (10) To preserve the professional integrity and independence of the office:

189 (a) no legislator or public official may urge the appointment of any person to the office;  
190 and

191 (b) the legislative auditor general may not be appointed to serve on any board, authority,  
192 commission, or other agency of the state during the legislative auditor general's term  
193 as legislative auditor general.

194 (11) (a) The following records in the custody or control of the legislative auditor general  
195 are protected records under Title 63G, Chapter 2, Government Records Access and  
196 Management Act:

197 (i) records and audit work papers that would disclose information relating to

- 198           allegations of personal misconduct, gross mismanagement, or illegal activity of a  
199           past or present governmental employee if the information or allegation cannot be  
200           corroborated by the legislative auditor general through other documents or  
201           evidence, and the records relating to the allegation are not relied upon by the  
202           legislative auditor general in preparing a final audit report;
- 203       (ii) records and audit workpapers that would disclose the identity of a person who,  
204           during the course of a legislative audit, communicated the existence of:
- 205           (A) unethical behavior;
- 206           (B) waste of public funds, property, or personnel; or
- 207           (C) a violation or suspected violation of a United States, Utah state, or political  
208           subdivision law, rule, ordinance, or regulation, if the person disclosed on the  
209           condition that the identity of the person be protected;
- 210       (iii) before an audit is completed and the final audit report is released, records or  
211           drafts circulated to a person who is not an employee or head of an entity for  
212           review, response, or information;
- 213       (iv) records that would disclose:
- 214           (A) an outline;
- 215           (B) all or part of an audit survey, audit risk assessment plan, or audit program; or
- 216           (C) other procedural documents necessary to fulfill the duties of the office; and
- 217       (v) requests for audits, if disclosure would risk circumvention of an audit.
- 218       (b) The provisions of Subsection (11)(a) do not prohibit the disclosure of records or  
219           information to a government prosecutor or peace officer if those records or  
220           information relate to a violation of the law by an entity or entity employee.
- 221       (c) A record, as defined in Section 63G-2-103, created by the [~~Office of the Legislative~~  
222           ~~Auditor General~~] office in a closed meeting held in accordance with Section 52-4-205:
- 223           (i) is a protected record, as defined in Section 63G-2-103;
- 224           (ii) to the extent the record contains information:
- 225               (A) described in Section 63G-2-302, is a private record; or
- 226               (B) described in Section 63G-2-304, is a controlled record; and
- 227           (iii) may not be reclassified by the office.
- 228       (d) The provisions of this section do not limit the authority otherwise given to the  
229           legislative auditor general to maintain the private, controlled, or protected record  
230           status of a shared record in the legislative auditor general's possession or classify a  
231           document as public, private, controlled, or protected under Title 63G, Chapter 2,

- 232 Government Records Access and Management Act.
- 233 (12) The legislative auditor general shall:
- 234 (a) be available to the Legislature and to the Legislature's committees for consultation on
- 235 matters relevant to areas of the legislative auditor general's professional competence;
- 236 (b) conduct special audits as requested by the Audit Subcommittee;
- 237 (c) report immediately to the Audit Subcommittee any apparent violation of penal
- 238 statutes disclosed by the audit of an entity and furnish to the Audit Subcommittee all
- 239 information relative to the apparent violation;
- 240 (d) report immediately to the Audit Subcommittee any apparent instances of
- 241 malfeasance or nonfeasance by an entity officer or employee disclosed by the audit of
- 242 an entity; and
- 243 (e) make any recommendations to the Audit Subcommittee with respect to the alteration
- 244 or improvement of the accounting system used by an entity.
- 245 (13) If the legislative auditor general conducts an audit of an entity that has previously been
- 246 audited and finds that the entity has not implemented a recommendation made by the
- 247 legislative auditor general in a previous audit report, the legislative auditor general shall~~;~~
- 248 ~~upon release of the audit:]~~ report to the Audit Subcommittee that the entity has not
- 249 implemented the recommendation.
- 250 ~~[(a) report immediately to the Audit Subcommittee that the entity has not implemented~~
- 251 ~~that recommendation; and]~~
- 252 ~~[(b) shall report, as soon as possible, that the entity has not implemented that~~
- 253 ~~recommendation to an appropriate legislative committee designated by the Audit~~
- 254 ~~Subcommittee.]~~
- 255 (14) Before each annual general session, the legislative auditor general shall:
- 256 (a) prepare an annual report that:
- 257 (i) summarizes the audits, examinations, investigations, and reviews conducted by the
- 258 office since the last annual report; and
- 259 (ii) evaluate and report the degree to which an entity that has been the subject of an
- 260 audit has implemented the audit recommendations;
- 261 (b) include in the report any items and recommendations that the legislative auditor
- 262 general believes the Legislature should consider in the annual general session; and
- 263 (c) deliver the report to the Legislature and to the appropriate committees of the
- 264 Legislature.
- 265 (15) (a) If the chief officer of an entity has actual knowledge or reasonable cause to



- 266 believe that there is misappropriation of the entity's public funds or assets, or another  
267 entity officer has actual knowledge or reasonable cause to believe that the chief  
268 officer is misappropriating the entity's public funds or assets, the chief officer or,  
269 alternatively, the other entity officer, shall immediately notify, in writing:
- 270 (i) the [~~Office of the Legislative Auditor General~~] office;
  - 271 (ii) the attorney general, county attorney, or district attorney; and
  - 272 (iii) (A) for a state government organization, the chief executive officer;  
273 (B) for a political subdivision government organization, the legislative body or  
274 governing board; or  
275 (C) for a receiving organization, the governing board or chief executive officer  
276 unless the chief executive officer is believed to be misappropriating the funds  
277 or assets, in which case the next highest officer of the receiving organization.
- 278 (b) As described in Subsection (15)(a), the entity chief officer or, if applicable, another  
279 entity officer, is subject to the protections of Title 67, Chapter 21, Utah Protection of  
280 Public Employees Act.
- 281 (c) If the Office of the Legislative Auditor General receives a notification under  
282 Subsection (15)(a) or other information of misappropriation of public funds or assets  
283 of an entity, the office shall inform the Audit Subcommittee.
- 284 (d) The attorney general, county attorney, or district attorney shall notify, in writing, the  
285 Office of the Legislative Auditor General whether the attorney general, county  
286 attorney, or district attorney pursued criminal or civil sanctions in the matter.
- 287 (16) (a) An actor commits interference with a legislative audit if the actor uses force,  
288 violence, intimidation, or engages in any other unlawful act with a purpose to  
289 interfere with:
- 290 (i) a legislative [~~audit, examination, investigation, or review of an entity conducted~~  
291 ~~by the Office of the Legislative Auditor General~~] audit action; or
  - 292 (ii) the [~~Office of the Legislative Auditor General's~~] office's decisions relating to:
    - 293 (A) the content of the office's report;
    - 294 (B) the conclusions reached in the office's report; or
    - 295 (C) the manner of disclosing the results and findings of the office.
- 296 (b) A violation of Subsection (16)(a) is a class B misdemeanor.
- 297 (17) (a) [~~Beginning July 1, 2020, the Office of the Legislative Auditor General~~] The  
298 office may require any current employee, or any applicant for employment, to submit  
299 to a fingerprint-based local, regional, and criminal history background check as an

- 300 ongoing condition of employment.
- 301 (b) An employee or applicant for employment shall provide a completed fingerprint card  
302 to the office upon request.
- 303 (c) The [~~Office of the Legislative Auditor General~~] office shall require that an individual  
304 required to submit to a background check under this Subsection (17) also provide a  
305 signed waiver on a form provided by the office that meets the requirements of  
306 Subsection 53-10-108(4).
- 307 (d) For a noncriminal justice background search and registration in accordance with  
308 Subsection 53-10-108(13), the office shall submit to the Bureau of Criminal  
309 Identification:
- 310 (i) the employee's or applicant's personal identifying information and fingerprints for  
311 a criminal history search of applicable local, regional, and national databases; and  
312 (ii) a request for all information received as a result of the local, regional, and  
313 nationwide background check.

314 Section 3. Section **36-12-15.1** is amended to read:

315 **36-12-15.1 . Systemic performance audits.**

- 316 (1) As used in this section, "entity" means:
- 317 (a) an entity in the executive branch that receives an ongoing line item appropriation in  
318 an appropriations act; and
- 319 (b) any local education agency, as defined in Section 53E-1-102, that receives public  
320 funds.
- 321 (2) (a) Each year, subject to the availability of work capacity and the discretion of the  
322 Audit Subcommittee created in Section 36-12-8, the Office of the Legislative Auditor  
323 General may, in addition to other audits performed by the office, perform~~[-]~~ a  
324 systemic performance audit of:
- 325 (i) [~~a systemic performance audit of~~] one or more executive branch entities; [~~and~~]  
326 (ii) [~~a systemic performance audit of~~] one or more local education agencies~~[-]~~ ;  
327 (iii) one or more institutions of higher education; and  
328 (iv) one or more independent entities.
- 329 (b) An audit performed under Subsection (2)(a) shall, as is appropriate for each  
330 individual audit:
- 331 (i) evaluate the extent to which the entity has efficiently and effectively used the  
332 appropriation by identifying:
- 333 (A) the entity's appropriation history;

- 334 (B) the entity's spending and efficiency history; and  
335 (C) historic trends in the entity's operational performance effectiveness;  
336 (ii) evaluate whether the entity's size and operation are commensurate with the  
337 entity's spending history;  
338 (iii) evaluate whether the entity is diligent in its stewardship of resources;  
339 (iv) provide a systemic performance audit of the entity's operations performance  
340 improvements;  
341 (v) if possible, incorporate the audit methodology of other audits performed by the  
342 Office of the Legislative Auditor General; and  
343 (vi) be conducted according to the process established for the Audit Subcommittee.
- 344 (c) In conducting an audit of an institution of higher education under Subsection  
345 (2)(a)(iii), the Office of the Legislative Auditor General shall, in addition to the  
346 subjects of evaluation described in Subsection (2)(b), review the institution's  
347 admissions practices for:  
348 (i) compliance with applicable laws, rules, and policies;  
349 (ii) best practices; and  
350 (iii) efficiency and effectiveness.
- 351 ~~(e)~~ (d) After releasing an audit report under Subsection (2)(a), the Audit Subcommittee  
352 shall make the audit report available to:  
353 (i) each member of the Senate and the House of Representatives; and  
354 (ii) the governor or the governor's designee.
- 355 ~~(d)~~ (e) The Office of the Legislative Auditor General shall:  
356 (i) summarize the findings of an audit described in Subsection (2)(a); and  
357 (ii) provide a copy of each audit report and the annual report to the legislative fiscal  
358 analyst and director of the Office of Legislative Research and General Counsel as  
359 soon as each report is completed.
- 360 (3) The Office of the Legislative Auditor General may consult with the Office of the  
361 Legislative Fiscal Analyst or the Office of Legislative Research and General Counsel in  
362 preparing the summary required by Subsection (2)(d).
- 363 (4) The Legislature, in evaluating an entity's request for an increase in its base budget, shall:  
364 (a) review the audit report required by this section and any relevant audits; and  
365 (b) consider the entity's request for an increase in its base budget in light of the entity's  
366 prior history of savings and efficiencies as evidenced by the audit report required by  
367 this section.

368 Section 4. Section **36-12-15.3** is enacted to read:

369 **36-12-15.3 . Response to audit -- Chief officer -- Entity reporting requirements --**  
370 **Audit response plan -- Semi-annual update.**

371 (1) As used in this section:

- 372 (a) "Alternative action" means a process, practice, or procedure that an entity  
373 implements in response to an audit report that is different from the process, practice,  
374 or procedure described in a recommendation.
- 375 (b) "Audit report" means a written report that the office issues that contains the office's  
376 findings and recommendations with respect to an audit of an entity.
- 377 (c) "Audit response plan" means a written document that an entity issues that contains  
378 the entity's response to an audit report of the entity.
- 379 (d) "Audit Subcommittee" means the subcommittee created in Subsection 36-12-8(1)(c).
- 380 (e) "Chief officer" means the individual who holds ultimate authority over the  
381 management or governance of an entity.
- 382 (f) "Entity" means:
- 383 (i) the same as that term is defined in Subsection 36-12-15(1); or  
384 (ii) any other person that the office is authorized to audit under any other provision of  
385 law.
- 386 (g) "Legislative committee" means the committee to which the Audit Subcommittee  
387 refers an audit report under Subsection 36-12-8(2)(d)(ii)(C).
- 388 (h) "Office" means the Office of the Legislative Auditor General.
- 389 (i) "Recommendation" means a process, practice, or procedure described in an audit  
390 report that the office proposes an entity implement.
- 391 (j) "Reply" means a written document that the office issues that contains the office's  
392 response to an entity's audit response plan.

393 (2) In addition to any other information that the office is required to include or attach to an  
394 audit report, the office shall, for each audit report the office issues:

- 395 (a) include in the audit report:
- 396 (i) the identity of the chief officer; and  
397 (ii) a notice to the chief officer that the chief officer must comply with the reporting  
398 requirements described in this section; and
- 399 (b) attach to the audit report:
- 400 (i) the audit response plan of the entity that is the subject of the audit report; and  
401 (ii) at the discretion of the legislative auditor general, a reply to the entity's audit

- 402            response plan.
- 403    (3) The chief officer of an entity that is the subject of an audit report shall:
- 404            (a) prepare an audit response plan that:
- 405                    (i) is in writing;
- 406                    (ii) responds to the findings in the audit report; and
- 407                    (iii) subject to Subsection (4), for each recommendation in the audit report:
- 408                            (A) describes how the entity will implement the recommendation;
- 409                            (B) identifies the individual employed by or otherwise affiliated with the entity
- 410                                    who is responsible for implementing the recommendation;
- 411                            (C) establishes a timetable that identifies benchmarks for the entity to implement
- 412                                    the recommendation; and
- 413                            (D) specifies an anticipated deadline by which the entity will fully implement the
- 414                                    recommendation; and
- 415            (b) submit the audit response plan to the office before the office submits the audit report
- 416                    to the Audit Subcommittee under Subsection 36-12-15(6)(b).
- 417    (4) If the chief officer described in Subsection (3) objects to implementing a
- 418            recommendation in an audit report, the chief officer shall:
- 419            (a) prepare an audit response plan in accordance with Subsections (3)(a)(i) and (ii) that:
- 420                    (i) explains the basis for the objection; and
- 421                    (ii) (A) identifies an alternative action that the entity will implement; or
- 422                            (B) specifies that the entity will not implement the recommendation or an
- 423                                    alternative action; and
- 424            (b) comply with submission requirements described in Subsection (3)(b).
- 425    (5) A chief officer implementing an alternative action under Subsection (4)(a)(ii)(A) shall,
- 426            as it relates to the alternative action, include in the audit response plan the information
- 427            described in Subsection (3)(a)(iii).
- 428    (6) Subject to Subsection (8), if the chief officer of an entity that is the subject of an audit
- 429            report implements a recommendation under Subsection (3)(a)(iii), or an alternative
- 430            action under Subsections (4)(a)(ii)(A) and (5), the chief officer shall, no later than 180
- 431            days after the day on which the Audit Subcommittee refers the audit report to a
- 432            legislative committee:
- 433            (a) prepare an update to the entity's audit response plan that:
- 434                    (i) is in writing; and
- 435                    (ii) describes the entity's progress towards fully implementing:

- 436           (A) each recommendation addressed in the entity's audit response plan under  
 437           Subsection (3)(a)(iii); or
- 438           (B) each alternative action addressed in the entity's audit response plan under  
 439           Subsections (4)(a)(ii)(A) and (5); and
- 440           (b) submit the update to the legislative committee and the legislative auditor general.
- 441 (7) Subject to Subsection (8), after the chief officer described in Subsection (6) complies  
 442 with the submission requirements described in Subsection (6)(b), the chief officer shall:
- 443           (a) continue to update the audit response plan in accordance with Subsection (6)(a); and  
 444           (b) submit the update to the legislative committee and the legislative auditor general at  
 445           least semi-annually.
- 446 (8) A chief officer's obligation to update an audit response plan under this section  
 447 terminates when the legislative auditor general reports to the Audit Subcommittee that  
 448 the entity which is the subject of the audit report has fully implemented:
- 449           (a) each recommendation addressed in the entity's audit response plan under Subsection  
 450           (3)(a)(iii); or
- 451           (b) each alternative action addressed in the entity's audit response plan under  
 452           Subsections (4)(a)(ii)(A) and (5).
- 453           Section 5. Section **53B-33-101** is amended to read:
- 454           **53B-33-101 . Definitions.**
- 455           As used in this chapter:
- 456 (1) "Advisory board" means the Utah Data Research Advisory Board created in Section  
 457           53B-33-202.
- 458 (2) "Center" means the Utah Data Research Center created in Section 53B-33-201.
- 459 (3) "Data" means any information about a person stored in a physical or electronic record.
- 460 (4) "Data research program" means the data maintained by the center in accordance with  
 461           Section 53B-33-301.
- 462 (5) "De-identified data" means data about a person that cannot, without additional  
 463           information, identify the person to another person or machine.
- 464 (6) "Director" means the director of the Utah Data Research Center created in Section  
 465           53B-33-201.
- 466 (7) "Institution of higher education" means an institution of higher education described in  
 467           Section 53B-1-102.
- 468 (8) "Office" means the Office of the Legislative Auditor General created in Section  
 469           36-12-15.

470 [(8)] (9) "Participating entity" means:

471 (a) the State Board of Education, which includes the director as defined in Section  
472 53E-10-701;

473 (b) the board;

474 (c) the Department of Workforce Services;

475 (d) the Department of Health and Human Services; and

476 (e) the Department of Commerce.

477 [(9)] (10) "Unique student identifier" means the same as that term is defined in Section  
478 53E-4-308.

479 Section 6. Section **53B-33-301** is amended to read:

480 **53B-33-301 . Data research program.**

481 (1) The center shall establish a data research program for the purpose of analyzing data that  
482 is:

483 (a) collected over time;

484 (b) aggregated from multiple sources; and

485 (c) connected and de-identified.

486 (2) The center may, in order to establish the data research program described in Subsection  
487 (1):

488 (a) acquire property or equipment in order to store aggregated, connected, and  
489 de-identified data derived from data contributed by the participating entities; or

490 (b) contract with a private entity in accordance with Title 63G, Chapter 6a, Utah  
491 Procurement Code, or with a state government entity to:

492 (i) store aggregated, connected, and de-identified data derived from data contributed  
493 by the participating entities; or

494 (ii) utilize existing aggregated, connected, and de-identified data maintained by a  
495 state government entity.

496 (3) A participating entity shall contribute data to the data research program described in  
497 Subsection (1) within guidelines established by the center.

498 (4) The center may only release data maintained by the center in accordance with the  
499 procedures described in this chapter.

500 (5) The center shall:

501 (a) as directed by the board, serve as a repository in the state of data from institutions of  
502 higher education;

503 (b) collaborate with the board and the State Board of Education to coordinate access to

- 504 the unique student identifier of a public education student who later attends an  
 505 institution of higher education in accordance with Sections 53B-1-109 and 53E-4-308;
- 506 (c) develop, establish, and maintain programs that promote access to data from  
 507 institutions of higher education;
- 508 (d) identify initiatives that leverage education data that will improve a state citizen's  
 509 ability to:
- 510 (i) access services at an institution of higher education; or  
 511 (ii) graduate with a postsecondary certificate or degree; and
- 512 (e) perform all other duties provided in this chapter.
- 513 (6) The director shall identify the resources necessary to successfully implement initiatives  
 514 described in Subsection (5)(d), in accordance with Section 53B-7-101.
- 515 (7) The center may:
- 516 (a) employ staff necessary to carry out the center's duties;
- 517 (b) purchase, own, create, or maintain equipment necessary to:
- 518 (i) collect data from the participating entities;
- 519 (ii) connect and de-identify data collected by the center;
- 520 (iii) store connected and de-identified data; or
- 521 (iv) conduct research on data stored or obtained by the center; or
- 522 (c) contract with a private entity, another state or federal entity, or a political subdivision  
 523 of the state to carry out the center's duties as provided in this chapter.
- 524 (8) The data research program is not subject to Title 63G, Chapter 2, Government Records  
 525 Access and Management Act.
- 526 (9) (a) The center:
- 527 [~~(a)~~] (i) [~~shall, upon request by the Office of the Legislative Auditor General, provide]~~  
 528 shall, in connection with the office's audit of an entity, provide the office, at the  
 529 office's request, with access to all records, data, and other materials in possession  
 530 of the center; and
- 531 [~~(b)~~] (ii) is otherwise subject to the authority of the legislative auditor general in  
 532 accordance with Utah Constitution, Article VI, Section 33, and Section 36-12-15.
- 533 (b) The office's request for access to records, data, and other materials under Subsection  
 534 (9)(a)(i) is not:
- 535 (i) a data research request under Subsection 53B-33-302(3)(a) or (4); or  
 536 (ii) a request for a data set under Subsection 53B-33-302(10).
- 537 (c) The center, in complying with Subsection (9)(a)(i):



538 (i) shall, upon the office's request, provide the office with records, data, and other  
539 materials that are not de-identified; and

540 (ii) may not charge the office a fee for completing the request.

541 Section 7. **Effective date.**

542 This bill takes effect on May 1, 2024.