



# Office of the Legislative Auditor General

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## Audit Subcommittee of the Legislative Management Committee

President J. Stuart Adams, Co-Chair | Speaker Mike Schultz, Co-Chair

Senator Kirk Cullimore | Representative Casey Snider

Senator Luz Escamilla | Representative Angela Romero

August 19, 2025

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report:

“A Survey of Utah State University Governance and Procurement Processes”  
[Report #2025-B].

The chairs of the Legislative Audit Subcommittee asked the Office of the Legislative Auditor General to complete a survey assessment regarding Utah State University’s governance and presidential spending. A survey assessment is in accordance with the policies of the Audit Subcommittee and **Utah Code** 36-12-15.4.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report to facilitate the implementation of the recommendations.

Sincerely,

Kade R. Minchey, CIA, CFE

Auditor General

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# A Survey of Utah State University Governance and Procurement Processes

The Legislative Audit Subcommittee asked our office to do a limited review of spending by the Utah State University (USU) President's Office. The goal was to understand the level of risk in how the president spends money and whether any spending could be considered excessive. To do this, we looked at the following:

- Procurement policies from USU, the Utah State Board of Higher Education, and *Utah Code*
- Open purchase orders for legal, professional, and consulting services
- Purchase card transactions from the President's Office
- Asset tracking related to the president

USU is a public research university with a main campus in Logan, Utah, and eight campuses across the state. It serves over almost 29,000 students and offers about 346 degrees and certificates. USU receives around \$1.2 billion in funding per year.

## Full Audit Recommended Due to Identified Risks

Our initial review found several risks that suggest a full audit is needed:

- **Structure Concerns:** There are issues with the design and implementation controls of procurement policies. For example, some executive staff committed the university to contracts ranging from \$52,000 to \$430,000 before completing the purchasing process.
- **Governance Concerns:** The board of trustees and senior leadership may not be providing sufficient oversight on key procurement and administrative matters.
- **Leadership Concerns:** Over the past two years, purchase card transactions with the President's Office have significantly increased compared to the previous five years. These purchases may be concerning due to the nature of the purchases, the dollar amounts involved, and the level of oversight.



**These findings raise concerns about USU's governance, leadership, and culture of policy noncompliance.**

**A complete audit would be needed to fully understand these risks and determine if there are any official audit findings .**



- **Leadership Concerns:** There are issues with the amount spent on presidential motor vehicle assets in the last two years being almost triple the amount for the five years before.

These findings, along with staff interviews, raise concerns about USU's governance, leadership, and culture of policy noncompliance. A complete audit would be needed to fully understand these risks and determine if there are any official audit findings.

### **Additional Audit Work Can Be Completed**

If the Legislative Audit Subcommittee wants to continue this review, we can conduct a deeper analysis of USU's policies and practices related to presidential spending. Based on what we found in our initial review, here are the areas that should be audited further:

1. **Procurement Policy Design and Effectiveness**
  - Review current policies further, interview staff, and identify any gaps or weaknesses
2. **Controls Over Open Purchase Orders (POs)**
  - Review USU PO controls
3. **President's Office Spending and Assets**
  - Analyze spending practices further
4. **Governance of the Institution**
  - Evaluate whether governance and leadership at USU have the appropriate structure, tools, processes, culture, structure, and personnel in place to ensure success

#### **RECOMMENDATION FOR PRIORITIZATION**

We recommend the Legislative Audit Subcommittee consider prioritizing a performance audit on Utah State University's governance and procurement process.

