

In-Depth Budget and Performance Audit Reviews of the Utah Department of Transportation  
By the Office of the Legislative Auditor General

AUDIT RECOMMENDATIONS REQUIRING LEGISLATIVE ACTION

**Appropriations Potential Changes**

Reference Index	Audit Recommendation	Legislative Action for Consideration
Budget Audit Ch. II, Item 1	<i>We recommend that UDOT work with LFA to implement the most workable option to avoid double counting revenues in the Equipment Management line item and prevent moving funds between line items.</i>	Combine line items for Equipment Management and Operations/Maintenance
Budget Audit Ch. II, Item 2	<i>We recommend the Legislature consider creating a distinct line item for UDOT's cooperative agreements in order to account and budget for them separately from UDOT's operational budget, eliminate their inflationary effect, and bring them in line with statute.</i>	Create line item to reflect cooperative agreements for federally-funded local government projects.
Budget Audit Ch. II, Item 3	<i>We recommend that the local match and federal dollars be appropriated separately from each other within the new cooperative agreements line item, as is done in the Minimum School Program.</i>	Appropriate local match and federal dollars separately for federally-funded local government projects.
Budget Audit Ch. II, Item 4	<i>We recommend that UDOT make estimates of cooperative agreements funding in the budgeting process instead of using the \$1.6 million placeholder that is currently used in the Construction Management line item.</i>	Appropriate yearly estimates of local match and local betterments for federally-funded projects.
Budget Audit, Ch. II, Item 7	<i>We recommend that UDOT analyze the maintenance impact of TIF projects on the capacity program and provide the</i>	Appropriate TIF funds to the Operations and Construction line items that reflects

	<i>Legislature with options to mitigate their impact on the capacity program.</i>	UDOT's revised process for estimating TIF funds needed for maintenance and preservation of TIF-built projects.
Performance Audit Ch. VI, Item 1	<i>We recommend that the Utah Legislature consider charging higher hourly rates that approach the true cost of owning and operating an airplane for flights that benefit out-of-state entities to ensure Utah plane owners are not subsidizing other states.</i>	Consider whether to adjust fees in the Schedule of Fees for flights that benefit out-of-state entities.

### Statutory Potential Changes

Reference Index	Audit Recommendation	Legislative Action for Consideration
Budget Audit Ch. II, Item 5	<i>We recommend that the Legislature consider updating statute to reflect current accounting of B&amp;C road funds.</i>	Amend 72-2-107(2) so that B&C Funds are appropriated / distributed to local entities directly out of the Transportation Fund rather than a separate B&C Account.
Budget Audit Ch. II, Item 6	<i>We recommend that UDOT's internal audit function obtain the independent audits according to its own regulations and review cities' and counties' spending of B&amp;C road funds for compliance.</i>	Consider whether UDOT should proactively audit cities' and counties' spending of B&C funds, and, if so, amend code to allow UDOT's administrative costs for audits to be paid / appropriated from the B&C Fund.
Performance Audit Ch. III, Item 1	<i>We recommend that UDOT and the Utah Transportation Commission appoint and confirm at least two independent performance auditors per statutory requirements.</i>	Consider whether to retain current statutory requirement (72-1-206) for UDOT to appoint two performance auditors.