

UTAH PRIMARY » JUNE 25

# Cannon eyes transparency, guideline updates; Hatch looks to support office's audit function

## Auditor

safety in government bathrooms and locker rooms for everyone. Any personal safety and privacy concerns should be reported first to law enforcement; second to the government agency in whose facility the incident occurred; and third to OSA if the government agency's policy did not adequately address the situation.

The role of the Office of the State Auditor (OSA) is to give an independent assessment of statutory compliance of state and local governments; not individual compliance. Unfortunately, the OSA reporting hotline became a target to vent frustrations with the legislation.

**Ricky Hatch** » In all its duties, the state auditor's role is to follow the law. In this instance, state code specifies that the auditor shall "ensure compliance" and report back to the Legislature. That should be the state auditor's role — no more, no less.

Auditors are trusted because they recognize their role and execute their duties professionally and exactly. Nowhere in the state Constitution or code does it specify that the state auditor evaluate whether enacted laws are well-crafted and good or bad policy. The state auditor should work closely and early with the Legislature to clarify and improve any code that impacts that office or the entities within that office's purview. I've done exactly that for the past 10 years, working proactively with legislators to refine their bills in advance to ensure they represent good public policy.

**Question #2 » Yes/No: The auditor should conduct regular audits of election systems and returns.**

**Cannon** » No. (The lieutenant governor has the statutory responsibility for these audits.)

**Hatch** » Yes, election systems and returns absolutely should be constantly audited — and currently are, according to state law. These audits are conducted by the Office of Legislative Auditor General. The state auditor currently can and should audit the funds used for elections and that state and county officials follow the legislative rules and their own policies.

**Question #3 » What would be two or three of your top priorities as auditor?**

**Cannon** » 1. Continued updates to the features and usability of [transparent.utah.gov](http://transparent.utah.gov). These tools have helped to make Utah government agencies financial and performance data more accessible and relevant to taxpayers and decision makers.

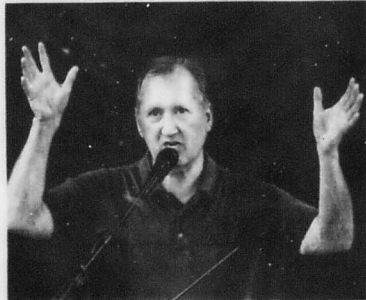
2. While using our audit findings as guidelines, work with the Legislature to pass legislation to improve the fiscal, statutory and performance management guidelines in new and existing statute for state and local governments.

3. Retaining and recruiting of staff. The number of state and local government agencies over which the OSA has fiscal and statutory compliance and performance management oversight continues to grow, while the accounting profession continues to lose practitioners and new students. It is an issue our office must address within the next four years.

**Hatch** » Further support the core financial audit side of the office. Some key management positions are close to retirement, and replacements have been slow to find.



Above » Activists in support of transgender rights hold a sit-in in front of a bathroom at the Utah Capitol in Salt Lake City in February. Below » Utah State Auditor John Douglass, who has criticized the legislative mandate to investigate reports of trans bathroom ban violations, is leaving office to run for Congress in Utah's 3rd District.



The financial audits of the state & local agencies are the only constitutionally mandated duties of that office.

Improve relationships with local governments. I want to strengthen trust with all levels of government and increase collaboration. In addition to identifying deficiencies, we should collaborate up front with agencies to prevent deficiencies from happening in the first place — like putting a fence at the top of a cliff rather than an ambulance at the bottom. I'd like to strengthen the approach to identifying and mitigating financial risks. By further utilizing data analytics, continuous auditing techniques and artificial intelligence, we may be better able to detect and address issues before they escalate.

Enhanced, proactive transparency: Audit reports should have plain-language summaries so that non-accountants can better understand them.

**Question #4 » Last session, a bill called for studying whether to make the auditor an appointed position. Should the auditor be appointed? Why or why not?**

**Cannon** » No. The Utah Constitution creates a separate constitutional office that reports directly to the people to maintain the independence of the Office of the State Auditor. This importance of independence in auditing remains a standard in public accounting and should remain a standard in Utah government.

It is for this reason that I have

held the personal standard of not soliciting or accepting endorsements or donations from any of the state or local government officials over whom the state auditor has oversight. Auditors should not do or accept anything that would impair or presume to impair their professional judgement.

**Hatch** » The state auditor absolutely should NOT be appointed. Appointing the state auditor runs counter to the fundamental purpose of the state auditor — to be an independent check on all branches of government to identify waste, fraud and abuse.

It also runs counter to auditing best practices and the code of conduct for certified public accountants. Objectivity and independence are two pillars of professional auditing and CPAs who violate these principles are subject to discipline and loss of license. This is another reason why it's important to have a CPA as the state auditor. Audits should never be politicized.

**Question #5 » In your opinion, what is the role of the auditor and why are you the best candidate for the position?**

**Cannon** » The state auditor is responsible for the management of the team of professionals and the culture of the office which provides an independent assessment of financial management, statutory compliance and performance management for state and local government.

I am the best candidate for state auditor because I have a passion for honest, ethical government. I have experienced the impacts of living and serving within a community impacted by embezzlement and a desire to protect others from those impacts. As the current deputy state auditor, I understand the complexity of the responsibilities of the office, as well as the challenges the office faces to fulfill our role.

**Hatch** » The state auditor provides independent and objective oversight of the financial operations of state and local governments, helping ensure that taxpayer dollars are used legally, effectively and transparently. The office also conducts performance audits to evaluate the efficiency and effectiveness of government programs and departments.

I'm the best candidate because of experience and leadership. As a CPA for 26 years, I've worked in auditing and accounting for 30 years. I'm the only CPA in this race. I've served as the Weber County auditor for 13 years. I've conducted financial, technology, performance, fraud and compliance audits. I'm not just an audit nerd, I've served in leadership capacities at the county, state and national level (president of Utah Association of Counties; board of directors at the National Association of Counties). I've worked closely with state legislators to improve internal controls and financial reporting. That's why both the House and Senate leadership endorse me.

**Question #6 » Auditor Douglass has focused on building transparency in the office. How would you expand that effort as auditor?**

**Cannon** » The OSA is very proud of transparent.utah.gov and how we lead the nation in the quantity of data shared to taxpayers and decision makers. Under my leadership as the next state auditor, data analytics and AI will continue to be key priorities to develop tools so the office can improve the quality and expand quantity of information available to the public and also for how we analyze information during our audits.

**Hatch** » I can see a more push-oriented public outreach mindset. I like the idea of allowing people

to sign up to receive notifications whenever there is an audit of a particular entity or topic, similar to the service provided on the legislative website. I think audit reports should include plain-language summaries so that non-accountants can better understand them. I can also see more proactive promotion of what the office does, perhaps a smaller version of the treasurer's outreach program regarding unclaimed cash.

**Question #7 » For the last few years, the auditor's office has been home to the state privacy officer. How would you utilize that position and the office to strengthen privacy protections in state and local governments?**

**Cannon** » With any new requirement for government the first step is education and training. The Office of the State Auditor provides state and local government training for new and changing statutory requirements and has easily incorporated data privacy into new and existing trainings. We will continue to provide the resources for privacy risk assessments as well as resources for data protection. As the requirements on government continue to strengthen, the state privacy officer's oversight and assessment of privacy risks should continue to be kept independent of the government agencies that collect or share citizen data.

**Hatch** » I've already met with the state privacy officer and invited her to my county to conduct a privacy audit. Her audit report was insightful, helpful and will result in improved practices to better secure the privacy of the data stored at the county.

I would leverage my relationships with the state, cities, counties, schools and service districts throughout the state to proliferate these types of helpful discussions. Relationships matter — yes, even for auditors. I will build upon the trusted relationships I have with governmental leaders throughout the state. It will help them understand that although the auditor/auditee relationship should have a healthy, inherent conflict, the state auditor's office can also be a trusted partner, working to achieve the goals that all public servants should have: responsible, transparent, secure recording, reporting and storing of the public's data.

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