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## MEMORANDUM

**TO:** Members, Utah State Board of Education

**FROM:** Brad C. Smith  
Chief Executive Officer

**DATE:** February 5-6, 2015

**ACTION:** R277-116-1 *Utah State Board of Education Internal Audit Procedure—Definitions* (Amendment)

### **Background:**

The definition of Audit Committee in R277-116-1 *Utah State Board of Education Internal Audit Procedure—Definitions* provides that the Chair of the Audit Committee must be either the Board Chair or Board Vice Chair which is inconsistent with the Board Bylaws, September 5, 2014.

### **Key Points:**

The amendments to R277-116-1 remove the requirement for the Chair of the Audit Committee to be either the Board Chair or Board Vice Chair.

### **Anticipated Action:**

It is proposed that the Finance Committee consider approving R277-116-1, as amended, on first reading and, if approved by the Committee, the Board consider approving R277-116-1, as amended, on second reading.

**Contact:** Bruce Williams, Associate Superintendent, 801-538-7514  
Jamie Barrett, Internal Auditor, 801-538-7521

1 **R277. Education, Administration.**

2 **R277-116. Utah State Board of Education Internal Audit**  
3 **Procedure.**

4 **R277-116-1. Definitions.**

5 A. "Appointing authority" means the Board.

6 B. "Audit" means internal reviews or analyses or a  
7 combination of both of Utah State Board of Education programs,  
8 activities and functions that may address one or more of the  
9 following objectives:

10 (1) to verify the accuracy and reliability of USOE or  
11 Board records;

12 (2) to assess compliance with management policies, plans,  
13 procedures, and regulations;

14 (3) to assess compliance with applicable laws, rules and  
15 regulations;

16 (4) to evaluate the efficient and effective use and  
17 protection of Board, state, or federal resources; or

18 (5) to verify the appropriate protection of USOE assets;

19 (6) to review and evaluate internal controls over LEA and  
20 USOE accounting systems, administrative systems, electronic  
21 data processing systems, and all other major systems necessary  
22 to ensure the fiscal and administrative accountability of LEAs  
23 and the USOE.

24 C. "Audit Committee" means a standing committee  
25 appointed by the Board which shall consist of all members of  
26 the [~~Accountability and~~] Finance Committee. [~~The Chair of the~~  
27 ~~Audit Committee shall be either the Board Chair or Board Vice~~  
28 ~~Chair.~~]

29 D. "Board" means the Utah State Board of Education.

30 E. "Internal Auditor" means person or persons appointed  
31 by the Superintendent with the consent of the Audit Committee  
32 and the full Board to direct the internal audit function for  
33 the Board and USOE.

34 F. "LEA," for purposes of this rule, means any local

35 education agency under the supervision of the Board including  
36 any sub unit of school districts, Utah Schools for the Deaf  
37 and the Blind, and charter schools.

38 G. "Subrecipient," for purposes of this rule, means any  
39 entity awarded funds through a sub-award, contract, or  
40 designated to receive an appropriation for programs supervised  
41 by the Board.

42 H. "Superintendent" means the State Superintendent of  
43 Public Instruction, who is the Agency Head within the meaning  
44 of the Utah Internal Audit Act.

45 I. "Survey work" means an internal review of Board  
46 rules, statutes, federal requirements and a limited sample of  
47 an LEA's programs, activities or documentation that may give  
48 rise to or refute the need for a more comprehensive audit. The  
49 preliminary or limited information derived from survey work is  
50 a part of the ongoing audit process and may be provided as a  
51 draft to the Audit Committee, to the Board or to the  
52 Superintendent upon request.

53 J. "USOE" means the Utah State Office of Education.

54 K. "USOR" means the Utah State Office of Rehabilitation.

55 **KEY: educational administration**

56 **Date of Enactment or Last Substantive Amendment: [~~February 7,~~**  
57 **~~2014]~~**2015

58 **Notice of Continuation: December 16, 2013**

59 **Authorizing, and Implemented or Interpreted Law: Art X Sec 3;**  
60 **53A-1-401(3); 53A-1-405; 53A-1-402(1)(e); 53A-17a-147(2); 63I-**  
61 **5-101 through 401**