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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Brad Smith
Chief Executive Officer

DATE: August 7, 2015

DISCUSSION/ ACTION:

Internal Audit SFY17 USBE Funding Priorities

Background: The Audit Committee considered a request related to funding priorities for SFY17 related to the Internal Audit Section for an additional financial/compliance auditor.

Key Points: Internal Audit is requesting an additional financial/compliance auditor. An org chart is attached to show the proposed position. Internal Audit receives a large number of requests for financial and compliance assistance, particularly with sub-awards, because many of the sections of the Board's office do not have adequate resources in that area. It is anticipated that this new position will respond to those requests, while also assisting with financial and compliance projects. Furthermore, with the recent restructuring in the Internal Audit Department to specifically hire performance auditors, one financial/compliance audit position was essentially changed to a performance audit position; therefore, funding this request would bring the financial/compliance audit side back to its original staffing level.

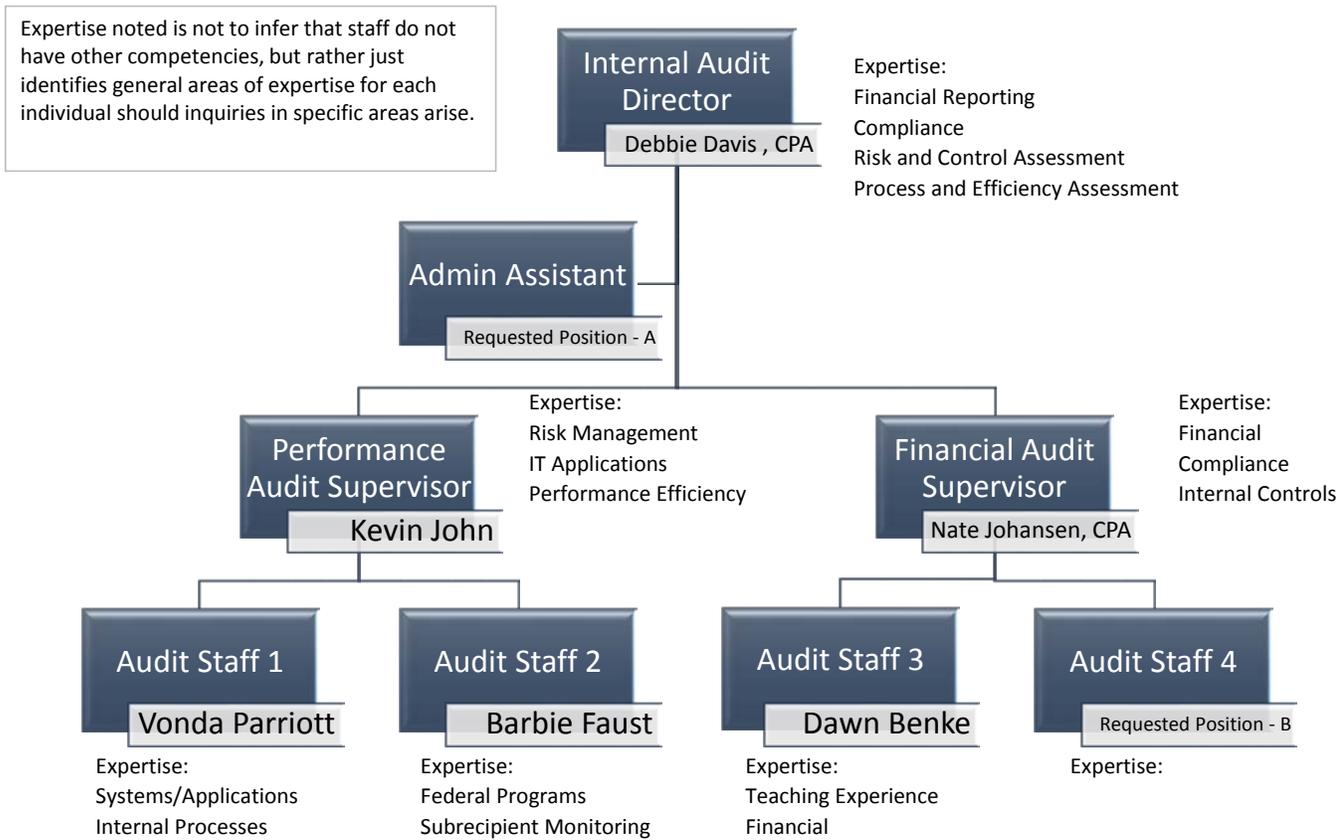
Note: Internal Audit has also requested an administrative assistant as a supplemental request for SFY16. If both an administrative assistant and additional audit staff position are approved, Internal Audit will need additional space to house the individual.

Anticipated Action: Board approval of the funding request above to be considered a priority.

Contact: Debbie Davis, 801-538-7639

USBE Internal Audit Section Organization Chart

(as of 5/22/2015)



Requested Position Notes:

- A** With a growing department, an administrative assistant would take on duties such as purchasing, travel, meeting material preparation, etc. This will allow auditors to more effectively use their time on audit functions rather than administrative tasks and would alleviate the extra burden the Internal Audit Department staff is to the Superintendent's administrative staff. This position is requested for State Fiscal Year 2016.
- B** The Utah State Board of Education has a budget over \$4 billion, which represents approximately 1/3 of the state's budget. There is a significant amount of oversight of those funds, both at the state and subrecipient level, as a majority of funds are passed through to subrecipients. The vision for the financial side of Internal Audit is to have a staff with emphasis on state level financial issues, and the other staff with emphasis on subrecipient financial issues. This position is requested for State Fiscal Year 2017.