



UTAH STATE BOARD OF EDUCATION

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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Debbie Davis
Internal Audit Director

DATE: June 10, 2016

ACTION: Proposed Changes to the Audit Plan

Background:

The proposed changes to the audit plan are presented pursuant to R277-116-7 Audit Process and professional internal auditing standards. In an effort to be as efficient and effective as possible with the internal audit process, and to incorporate items from the risk assessment into the audit plan as considered necessary, changes to the existing audit plan were proposed. The proposed changes also reflect updated resources available for and timelines associated with audits

The revised plan (see attached) proposes the following changes:

- Removal of the Educator Salary Adjustment audit as a review of this area is included in the State Compliance Guide and because it is not currently considered one of the highest risk areas.
- Subrecipient Monitoring Procedure Audit was moved from "On Deck – if time permits" to "Approved."
- Addition of the Performance Audit of Internal Accounting to "On Deck – if time permits." This was requested by the Internal Accounting Director.

Board Strategic Plan:

Oversight: Provide a robust internal audit function for state public education funds and programs.

Anticipated Action:

Based on a recommendation from the Audit Committee, it is proposed that the Board approve the revised internal audit plan.

Contact: Debbie Davis, Internal Audit Director 801-538-7639

Proposed Prioritized Audit Plan for SFY 2016

Changes in Red

Assurance Projects

Audit #	Audit	Actual/ Estimated Start Date	Estimated Draft Report Date	Staff Equivalent	Type*	USBE Area(s)	Disposition (as of 5/19/16)
*Completion of these items is also contingent on the scope of Other IA Responsibilities listed below.							
16-03	LEA Hotspot Audits	Apr-16	Oct-16	3	F, P, C	LEA	In Process
16-02	Jordan School District Allegation Audit	Mar-16	Jun-16	2	F, C	LEA	In Process
	Self Assessment of IA with External Validation - required by IIA standards	Jun-16	Aug-16	1	C	IA	
	Subrecipient Monitoring Procedures	Jul-16	Nov-16	2-3	P, C	USBE	

*F=Financial, P=Performance, C=Compliance

On Deck (if time permits)

	Internal Accounting performance audit.				F, P, C	USOE/USOR	
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Audits related to hotline calls or requests will be added and approved by the Committee as needed.
Followup on prior audit findings will also be added once the tracking database has been established.

Pend

USDB Foundation	The Foundation has a tax ID number, Board members are being recruited/identified after which bylaws will be written; therefore, there is no activity currently available to audit.						
16-01	Charter School Contract Fidelity and Performance	Project was started in February 2016 and was discontinued in the March Board meeting in favor of getting information about contract fidelity directly from authorizers so Internal Audit could work on other priority projects. Internal Audit may, as some point review, information provided by authorizers. IA provided information from the preliminary reviews completed to the Audit Committee.					

Completed

15-11	Monthly Budget Report/Discretionary Funds Report	Apr-15	Jul-15	3	F	USBE	Complete
15-12	State Fleet Use	Jun-15	Jul-15	3	F, P, C	USOE	Complete
15-14	Enterprise High School/WCSD Hotline	Jun-15	Feb-16	2	F, C	LEA	Complete
15-05	VR Targeted Case Review	Mar-15	Feb-16	3	F, P, C	USOR	Complete

Other Internal Audit Responsibilities

- Internal Assessment
- Hotline Maintenance
- External Audit Liasion
- Follow-up to Prior Audits - in Audit Tracking Database
- Continuing Professional Education
- Board Meeting Attendance/Material Preparation