

Utah State Board of Education

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Executive Secretary

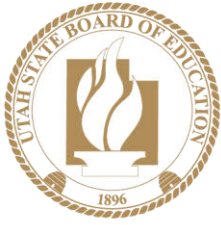
May 16, 2023



Director

Financial Operations staff of the Utah State Board of Education (USBE) have completed the annual desk review of your Agency's financial statements, independent auditor's reports, and single audit (collectively referred to as the "audit report"). These reviews are conducted in accordance with Utah Code Annotated (U.C.A.) § 53E-3-603 and U.C.A. § 53E-3-501. Additionally, these reviews are conducted in accordance with subrecipient monitoring and management requirements as prescribed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

2 CFR § 200.511(c) states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings, a corrective action plan to address each audit finding included in the current year auditor's reports." If you are receiving this notice, the USBE is requiring a response, inclusive of a corrective action plan, to one or more findings in your independent auditor's reports. Findings that require a response, inclusive of a corrective action plan are numbered and summarized in Attachment A. Audit Findings, Questioned Costs, and/or Other Matters.



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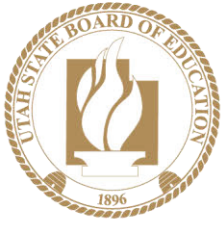
Corrective action plan(s) must contain, at minimum, the following information:

1. The reference numbers the auditor assigned to the audit findings in the auditor's report (if applicable).
2. The USBE ID assigned to the audit finding (see Attachment A).
3. The name(s) of the contact person(s) responsible for corrective action.
4. The corrective action planned.
5. The anticipated completion date.
6. The fiscal year in which the finding initially occurred.
7. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.

The corrective action plan(s) should be clear, specific, and should be of sufficient detail for the USBE to determine whether the corrective action plan is reasonably expected to correct the underlying cause of the finding. See Attachment B. Example Corrective Action Plan for an example submission.

The corrective action plan(s) should be prepared and implemented by management with oversight and accountability provided by your local school board and your board's audit committee.

Responses, inclusive of corrective action plans, should be sent to the USBE within 45 days upon receipt of this notice. Please email corrective action plans to schoolfinance@schools.utah.gov. Upon receipt and review, USBE staff will issue a management decision, as applicable, in accordance with 2 CFR § 200.521 which will state whether the audit finding is sustained, the reason for the decision, and any additional requests or relevant information including follow-up procedures. In general, USBE staff will sustain a finding unless they determine either the independent auditor misinterpreted federal statute, or there is new federal or state guidance that was not available to the auditor when the audits were conducted.



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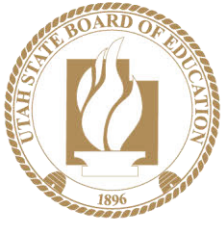
Failure to comply with the provisions of this notification may result in corrective or enforcement action as authorized by U.C.A. § 53E-3-401(8)(a) and Utah Administrative Code R277-114-4 which may include the withholding of state funds, penalties, or repayments.

Thank you for your prompt attention to this important matter. For questions or assistance with this request, please contact us at schoolfinance@schools.utah.gov.

Scott Jones
Deputy Superintendent of Operations
Utah State Board of Education

Sam Urie
School Finance Director
Utah State Board of Education

cc: Board Chair James Moss
Vice Chair Molly Hart
Vice Chair Jennie Earl
Board Member Kristan Norton
Superintendent Sydnee Dickson
Chief Audit Executive Debbie Davis



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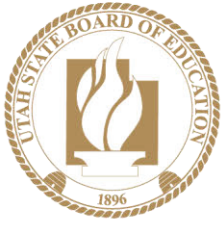
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Attachment A. Audit Findings, Questioned Costs, and/or Other Matters

Count:	1 of 2
Reference Number:	2022-001
USBE ID:	[REDACTED]
Main Type:	Single Audit – Federal Award Findings & Questioned Costs
Sub Type:	Material Weakness
Finding:	<p>U.S. Department of Agriculture, Federal Financial Assistance Listing #10.766 Community Facilities Loans and Grants</p> <p>Compliance Requirements Material Weakness in Internal Control Over Compliance and Noncompliance</p> <p>Criteria: [REDACTED] should have policies and procedures in place to ensure audited financial statements and budgetary information are submitted annually to the USDA.</p> <p>Condition: In connection with the audit procedures performed, it was noted that the required reports were not submitted to the USDA. [REDACTED] system of internal control did not include procedures related to reporting to the USDA.</p> <p>Cause: [REDACTED] was unaware of the requirement to provide the required reports to the USDA.</p>



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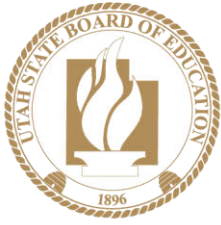
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	<p>Effect: [REDACTED] is not in compliance with USDA loan requirements.</p> <p>Questioned Costs: None reported</p> <p>Context: In connection with the audit procedures performed, it was noted that the required reports were not submitted to the USDA.</p>
Prior Audit Finding?	No
Auditor Recommendation:	[REDACTED] should submit the required audited financial statements and budgetary information to the USDA.
USBE Special Instruction:	N/A



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Count:	2 of 2
Reference Number:	2022-A Budgetary Compliance
USBE ID:	██████████
Main Type:	State Compliance
Sub Type:	Budgetary Compliance
Criteria:	The Budgetary Compliance guidelines require the School to limit total expenditures, by fund, to the amounts appropriated in the final adopted budget.
Condition:	██████████ had total expenditures in the general fund that exceeded the final adopted budgeted amounts.
Cause:	Total expenditures for the year ended June 30, 2022, exceeded the budgeted amount. This is due to ██████████ exceeding budget on instructional expenditures.
Effect:	Expenditures in excess of the final adopted budgeted amounts.
Auditor Recommendation:	We recommend that management ensures their final adopted budget amounts are sufficient to cover the total expenditures by fund.
Prior Audit Finding?	No
Special USBE Instruction:	Corrective action plan should entail the LEA's plan to strengthen and improve the budgeting process to ensure expenditures remain within legally adopted budgeted amounts.

