

Auditing or Monitoring?

WHAT DO YOU SEE?



For each image shown, what was the first picture you saw? Did you see a different picture after a second look? Experience, context, or other factors can impact how we view things, including if a review is an audit or if it is monitoring. The Utah State Board of Education (USBE or Board) has both a monitoring and an auditing function. Both functions are intended to help improve public education by facilitating accountability and evidence-based policy-making, but both functions achieve this objective in a different way so it is important to use the right term.

WHAT'S THE DIFFERENCE?

Auditing by USBE is a *governance function* (i.e., under the direction of the Board) done as *required by professional internal auditing standards*. Audits are prioritized by the Board and done by the Internal Audit Department, which reports directly to the Board.

Monitoring by USBE is a *management function* (i.e., under the direction of the Superintendency) done as *required by federal or state regulations* by staff of the Superintendency. Regulations generally specify that monitoring is done on a regular basis and in consideration of risk identification and assessment.

Another way to think about the differences in function is with this analogy. Consider the objective to have healthy teeth - you usually brush and floss daily, but you also go to the dentist for regular check-ups, and you may go to a specialist to address a specific concern.

The daily work of brushing and flossing is like when a local education agency **reviews its own work or processes**, going to a dentist is like when **USBE monitors an LEA program or process**, and a visit to a specialist is like when **a CPA firm or Internal Audit does an audit**.

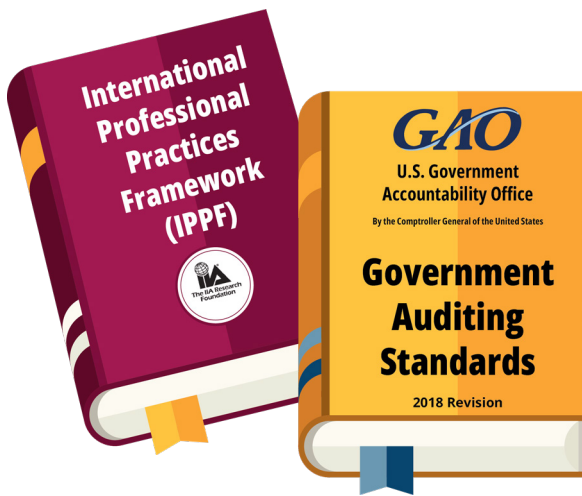


AUDITING

R277-100-2 (16)(a) “Internal audit” means an independent appraisal activity established within an agency as a control system to examine and objectively evaluate the adequacy and effectiveness of other internal control systems within the agency.

(b) An “internal audit” is conducted in accordance with the current:

- (i) International Standards for the Professional Practice of Internal Auditing; or
- (ii) Government Auditing Standards, issued by the Comptroller General of the United States.



What gets audited?

Internal Audit performs a periodic risk assessment that considers regulations, data, processes, media, meeting discussions, stakeholder feedback, etc. Risks are analyzed and presented to the Board’s Audit Committee for review. The Audit Committee then recommends audits to the Board for prioritization (i.e., approval). Audits may review internal control systems, governance, operations, finances, compliance, and performance.

MONITORING

R277-100-2 (19)(a) “Monitor” or “oversee” means to formally supervise, inspect, or examine the compliance, performance, or finances of a program.

(b) A monitoring or oversight program may include:

- (i) review of financial and performance reports required of the subject program;
- (ii) follow-up to ensure the subject program takes timely and appropriate actions to correct identified deficiencies;
- (iii) supervising remedial action recommended by audit or monitoring findings or required by Board rule; and
- (iv) any function performed in an Evaluation or review.

R277-100-2 (11)(a) “Evaluate” or “review” means to observe and assess a program with an objective of making recommendations, if appropriate, for necessary changes or improvement.

(b) An “evaluation” or “review” may include providing training and technical assistance on program-related matters and performing on-site reviews of program operations.

What gets monitored?

The USBE administers and oversees a significant number (>100) of state and federal programs and processes that may be subject to monitoring. Monitoring incorporates risk principles and considers compliance with regulations and standards as well as an achievement of performance goals. The Utah Legislative Auditor General’s Office, in an audit of public education programs, stated: “Programs must be monitored and evaluated within USBE to be successful.”