

Utah State Board of Education Internal Audit Department

August 25, 2023

Audit Plan Requirements

Professional internal auditing standards require:

- A risk-based Audit Plan.
 - The Audit Plan must be based on a documented risk assessment, done at least annually, and considering input from the Board and Superintendency.
- The Audit Plan with related resource requirements must be reviewed and approved.
- Internal Audit must evaluate and contribute to the improvement of the organization’s governance, risk management, and controls processes.

Projects in Process

Project	Board Approved Date	Start Date	Estimated Draft Report Date	Notes
Data Reliability	9/3/2020 4/7/2022	3/2022	Assessment 7/2023 Student & Graduation Data 9/2023	Audit to consider data reliability at both the state and local levels, as outlined in the prioritization request form. Project scope and objective was expanded on April 7, 2022.
Subrecipient Monitoring	12/9/2016	9/2023	6/2024	Audit to consider USBE’s internal control system for subrecipient monitoring, as well as LEA use of subrecipients.

Board Approved Projects Not Yet Started

Projects will be started in the order noted below unless otherwise directed by the Audit Committee or Board.

- 1) **Technical Assistance** - In accordance with various laws and rules, as well as the strategic mission of the USBE, USBE staff regularly provide technical assistance (TA) to LEAs and other stakeholders of education. This audit will consider elements of TA being provided, such as a definition, authority of TA, positions providing TA, format of TA, and monitoring of TA.

Board Approval: November 3, 2022.

Estimated Time to Complete: 5-6 months, 2 staff

- 2) **Personnel Management** - Recruiting and retaining competent employees to work within a structured system is needed to provide effective oversight and support of the public education system. This audit will consider USBE's control environment (e.g., organizational structure and assignments, recruitment and on-boarding, training, turnover and off-boarding, and accountability).

Board Approval: November 3, 2022.

Estimated Time to Complete: 4-6 months, 2-3 staff

- 3) **School Construction** - Each year hundreds of millions of dollars are spent on school construction, operations, and maintenance. Facilities significantly impact the teaching and learning environment. This audit will consider the governance and oversight of construction and maintenance, including relevant internal control systems and compliance.

Board Approval: November 3, 2022.

Estimated Time to Complete: 10-12 months, 3-4 staff

Projects Required by Internal Auditing Standards

- 1) **Self-Assessment (Quality Assurance)** – A self-assessment of the Internal Audit function is required annually to ensure compliance with standards, and a self-assessment with external validation is required every fifth year.

Estimated Time to Complete: 2 weeks, 1 staff

- 2) **Risk Assessment of USBE** – Internal Audit is required to prepare an audit plan based on an annual, or more frequent, risk assessment.

Estimated Time to Complete: 2 weeks, 1 staff

Other Factors

As noted above, risk is a significant and required consideration when determining audit projects. Other factors to consider include:

- State level audits or LEA/other sub-awardee level audits (other priority timelines, availability of staff, etc.)
- Audits currently being completed by the Office of the State Auditor, Legislative Auditor General's Office, etc. (to avoid duplication)
- Projects being done by a Board or Legislative task force (to avoid duplication)
- Audit Report timeline (e.g., how fast does the Board want/need the audit report)
- Audit Scope and Objective (e.g., narrow or wide; USBE or public education system; # of years, programs, entities reviewed; strategic level or program level)
- Type of audits (e.g., performance, operations, compliance, or financial; or a hybrid)

Resources

Staffing: Each audit is staffed with a Project Supervisor and 1-3 Auditors. Staff needed for a project varies depending on the scope and objective of an audit, the skillset needed, the availability of data and information, etc. Conflicts of interest are also considered when assigning staff.

Each audit is required, based on professional standards, to have a quality assurance process, which includes reviews to ensure conclusions are sound and based on sufficient evidence. The Project Supervisor reviews all work completed and the Chief Audit Executive also reviews work completed.

Internal Audit resources are also used for other critical tasks and functions, such as maintaining the Public Education Hotline, facilitating external audits, reviewing the

department budget and purchasing requests, attending—and preparing material for—required meetings, completing the required annual self-assessment, and maintaining a policy and procedure manual. Continuing professional education is also required by professional standards.