Audit Plan

Utah State Board of Education
Internal Audit Department

April 12, 2021

Audit Plan Requirements

Professional internal auditing standards require:

- A risk-based plan to determine the priorities of the Internal Audit Department
  - The plan must be based on a documented risk assessment, done at least annually, and considering input from the Board and Superintendency.
- The plan and 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
School Fees Consultation Project	Dec 2018	Dec 2018	*	*IA staffing (2 FTEs), supervision, and deliverables are per the consultation agreement. It is expected that this will be a long-term (2-3 years minimum) project.
Use of PROSTART Funds	May 7, 2020	Oct 2020	May 2021	Audit to consider risks related to the PROSTART program identified in prior audits (OSA, OLAG) and by USBE staff.
Educational Service Providers	October 1, 2020	Nov 2020	Aug 2021	Audit to consider LEA use of Education Service Providers, particularly questions associated with procurement and provision of these services, in context of current laws and rules.

Other Board Approved Projects – not currently in process

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

1) **Data Reliability** – Audit to consider data reliability and the internal control system over data, at both the state and local levels, as outlined in the prioritization request. This audit was approved on September 3, 2020.
Estimated Time to Complete: 8-10 months, 3 staff

2) **Subrecipient Monitoring Procedures** – USBE is required to monitor entities to which it sub-awards federal funds (i.e., LEAs and others). This audit will review USBE policies, procedures, practices, and internal controls to evaluate USBE's performance of this federal requirement and was approved by the Board on December 9, 2016.
Estimated Time to Complete: 5-6 months, 3 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: 1 month, 2 staff

Resources

Staffing: Each audit is staffed with an Audit Manager and generally 1-2 Auditors. Staff required for a project varies depending on the complexity of an audit and the staff skillset needed, if the audit is state level or LEA level, and availability of data and information, etc.

Each audit is required, based on professional standards, to have a quality assurance process, which includes additional reviews to ensure conclusions are sound. Therefore, the Manager reviews all work completed and either the other Manager or the Chief Audit Executive also reviews work completed.

Internal Audit resources are also used for other necessary agency functions, such as maintaining a hotline, facilitating external audits, developing and monitoring 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.

Other Factors

As noted above, risk is a significant and required consideration when determining audit projects. Before recommending audit projects for approval by the Board, the committee should also consider:

- 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 do you want/need the audit report)
- Audit Scope (e.g., narrow or wide)
- Types of audits – performance, compliance, or financial