

Internal Controls

At a recent training, an employee of the Office of Inspector General of the US Department of Education shared that the best way to prevent and detect fraud and noncompliance related to federal grants is the grantees internal control system. A slide at the end of the presentation included three final fraud prevention tips, which are:

1. Internal Controls

2. Internal Controls

3. Internal Controls

IA recently completed an audit reviewing internal control systems at the USBE and a selection of 16 LEAs. The Board released the report at the December board meeting, and it is available at: <https://www.schools.utah.gov/file/a9f755df-e184-4a65-9603-881d8a716f02>.

We encourage you to read the report and consider the internal control system at your LEA. Overall, we believe that internal control systems are likely being viewed too narrowly. What does this mean? The five components of internal control (i.e., control environment, risk assessment, control activities, information & communication, and monitoring) are not being applied by staff at all organizational levels (e.g., board, administration, programs, sections, divisions, schools and classrooms) and are not being applied to all categories of objectives (i.e., operations (financial and non-financial), reporting (financial and non-financial), compliance). The result is that the objectives of public education may not be achieved, or may not be achieved in an optimal or fully effective manner.

Hotlines Cont.

Most concerns received via the Hotline during the first quarter were in one of two categories: Student Support/Services (36%) and Administration/Management (38%).



As you can imagine, there is still significant concern regarding student safety and how LEA/school administration is managing schools in the current environment. Additionally, we have received concerns regarding discrimination, particularly as discussed in classrooms and used in curriculum and activities.



We recommend you make sure the LEA's parent grievance policy and procedure are current, available, and accessible. This ensures that individuals will know the proper process to follow to report their concerns.

Required Training for Board Members

R277-113-4(1)-(3) was recently updated to include that "members of the governing board and audit committee" are required to complete training on audit committee and internal audit functions using material provided by the USBE. The training is based on requirements in Utah Code and Board Rule and includes three modules:

- ▶ Module 1 for Board Members
- ▶ Module 2 for Audit Committee Members
- ▶ Module 3 for Audit Committee Members at LEAs with >10,000 students



We are excited to report that the training materials are now available on our website (see: <https://www.schools.utah.gov/internalaudit?mid=892&tid=5>). For each module, the script is also provided as a reference and to ensure compliance with ADA regulations.