USBE INTERNAL AUDIT (IA) STRATEGIC PLAN ELEMENTS

CORE VALUES
Efficiency
Excellence
Life Balance
Professionalism
Integrity

GUIDING PRINCIPLES
We are timely, are well organized, and ensure priority of work.
We are committed to accuracy, consistency, compliance, and high quality.
We are dedicated to family, health, work, and fun.
We treat each individual with courtesy, kindness, fairness, and respect.
We are honest, accountable, and ethical.

STANDARDS HIGHLIGHT

Standard 1300 requires an internal audit function to have a Quality Assurance and Improvement Program (i.e., QAIP). The QAIP includes a required self-assessment to evaluate compliance with the professional internal auditing standards, which internal audit functions are required to follow. IA conducts an internal self-assessment annually, and every five years as required, the self-assessment is externally validated by a peer review team. The 2020 self-assessment noted that IA is generally compliant with 236 out of 237 standards; IA’s next external validation is scheduled for the fall of 2021.

AUDITS & CONSULTATIONS IN PROCESS

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EXTERNAL AUDITS

Public education is regularly subject to a variety of audits by external entities; audits may be at the state level, local level, or both. Current external audits include the following:

Office of the Legislative Auditor General (OLAG)
6-part series of performance audits as follows:

- External Governance (released December 2020)
- Agency (USBE) Governance
- Charter School Governance
- Administrative Costs
- Teacher Recruitment and Retention
- Performance Outcomes

These audits are inclusive of a review of information at both the state and local levels.

Office of the State Auditor

- State of Utah Single Audit
- Minimum School Program Review includes:
  - a review of use of funds for a sample of LEAs and programs
  - a review of amounts distributed to LEAs by the USBE

Additional information about audits and consultations can be found at: https://schools.utah.gov/internalaudit?mid=892&tid=2.
INTERNAL CONTROLS

Hopefully, many of you were able to participate in the USBE-hosted Utah Fiscal Forum – Federal Programs presented by Brustein and Manasevit. A recurring theme in the various presentations was the importance of documentation. In fact, the first day alone, “documentation” was noted 20 times in the slides.

The general standard for documentation for federal program costs is included in 2 CFR 200.403 (i.e., Federal Uniform Grant Guidance (UGG)), which requires that costs **MUST** “be adequately documented” in order to be allowable.

UGG and Education Department General Administrative Regulations (EDGAR) also include standards for documentation for specific areas such as travel, compensation, and procurement.

During the training, several hot button issues with documentation were discussed. Have you considered:

- Record retention
- Backup of documentation
- What happens when:
  - staff retire,
  - staff are fired,
  - a school closes, or
  - documentation is kept at home?

Did you know that UGG also includes the following guidance (2 CFR 200.336):

> “When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.”

HOTLINE INFORMATION

To-date, during the third quarter of state fiscal year 2021, IA has documented 319 concerns on the Public Education Hotline. The chart below shows the number of concerns received thus far in 2021 is **38% higher** than the total number of concerns received during 2020.

**Total # of Public Education Concerns Received by State Fiscal Year (as of 2/22/2021)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concerns</td>
<td>103</td>
<td>147</td>
<td>201</td>
<td>231</td>
<td>319</td>
</tr>
</tbody>
</table>

*Of note, the Board and Public Education Hotline received feedback (both for and against) from more than 1,300 individuals or entities related to an issue. For purposes of the chart above, this feedback was compiled and included as one Hotline concern.

Recently, the concern most often reported to the Hotline is related to the rights of parents and the role of public education at the state and local level related to race, gender, ethnicity, politics, etc.

When concerns are received on the Hotline, IA does a preliminary analysis to determine the best individual or entity to review the concern and take necessary action. Once this analysis is done, we refer the concern. Referrals are usually made:

- back to the complainant with information so they can take the next steps,
- to LEAs,
- to USBE Sections with program or area expertise, or
- to other state agencies or entities.

See our **Start Local** document for more information about getting concerns to the right people for resolution.