

**Utah State Board of Education
Internal Audit Department
Internal Audit Policies & Procedures
V. DEPARTMENT ADMINISTRATION**

Section	EXTERNAL AUDITS
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Subsection	None
Issuance Date	11/24/2015
Revision Date	11/22/17

7. External Audits and Monitoring

External Audits

External audits are those performed by entities not governed by or receiving resources from the Board, such as Federal regulatory agencies, the Office of the Utah State Auditor (OSA), or the Office of the Utah Legislative Auditor General (OLAG).

The Internal Audit Director is the external audit liaison and is required to present information regarding external audits to the Audit Committee. The Superintendent has directed USBE staff to notify the Internal Audit Director of all external audits. To ensure sufficient and comprehensive reporting of external audits to Internal Audit, the procedure below should be followed; this procedure and related documents are outlined in the External Audit Checklist available at <https://schools.utah.gov/internalaudit> or <https://usbe.sharepoint.com/sections/IA/SitePages/Home.aspx>, along with other referenced forms.

1. Upon receiving notification that an audit (this include reviews, evaluations, monitoring, etc.) will be done by an external audit entity, the primary contact (i.e., Superintendent, Section, Program, etc.) receiving the notification should notify the Director of Internal Audit of the coming audit by either filling out and emailing the External Audit Notification Form to the Internal Audit Director (audit@schools.utah.gov) or providing the engagement letter sent by the external audit agency.
 - a. If Internal Audit is first notified of an audit, they will provide notification to the Superintendency and other applicable individuals within the agency.
2. Internal Audit will include all audits in the External Audit Tracker; on-going audits are listed on monthly Audit Committee agendas and the Summary of Audit Committee Actions, and provided to the Board for Board meetings, as informational items.
3. The primary contact, if it is not Internal Audit, must notify Internal Audit of the date, time, and location of the entrance or opening conference, as well as providing a list of individuals participating, prior to the meeting taking place. Internal Audit is available to help schedule the meeting if needed. Board members may choose to attend this meeting.
 - a. If Internal Audit is scheduling the entrance conference, they will collaborate with the Superintendency and Audit Committee as necessary to facilitate the meeting.
4. Internal Audit will be available during the audit to help facilitate any of the following as requested by the Superintendent/Section/Program being audited:
 - Identifying appropriate personnel to answer questions or provide information
 - Locating on-site work space if needed
 - Contacting IT to help facilitate technology needs
 - Resolving concerns regarding rules, laws, or regulations of the program
 - Resolving concerns regarding the audit process or audit personnel

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5. The primary contact, if it is not Internal Audit, must provide a copy of the draft audit report to Internal Audit once it is available.
 - a. If Internal Audit receives the draft audit report; they will provide a copy to the Superintendentcy and other applicable staff, noting timelines for feedback and responses.
6. The primary contact, if it is not Internal Audit, must notify Internal Audit of the date, time, and location of the exit or closing conference, as well as providing a list of individuals participating, prior to the meeting taking place. Internal Audit is available to help schedule the meeting if needed. Board members may choose to attend this meeting.
 - a. If Internal Audit is scheduling the exit conference, they will collaborate with the Superintendentcy and Audit Committee as necessary to facilitate the meeting.
7. If a response to the draft report is requested, the primary contact, if not Internal Audit, must provide a copy of the draft response – prior to submission – for Internal Audit to review. This will facilitate consistency in our responses.
 - a. If Internal Audit is facilitating the response, they will collaborate with the Superintendentcy and Audit Committee as necessary.
8. The primary contact, if not Internal Audit, shall provide a copy of the final report and response to Internal Audit.
9. Internal Audit will provide a summary of the audit and a copy of the response to the Audit Committee; full reports will be available upon request. The Board will be made aware of completed audit reports and responses through the Audit Committee report at the Board meeting each month.
10. Internal Audit will also provide the Superintendentcy a copy of the final audit report and response via the shared Internal Audit Shared Documents folder. Using the same means, Internal Audit will also provide an External Audit Coversheet that outlines the individual responsible for corrective action and a place to indicate corrective action taken or not taken, as well as noted achievements. In the event the audit entity sets the corrective action and/or timetable, that information will be provided and referenced on the coversheet.
 - a. The responsible individual should provide either the completed External Audit Coversheet, or a status update on corrective action to Internal Audit, no later than 90 days after the audit is released. If a status update is provided, it should indicate a projected timeline for completion of corrective action for each finding; additional updates or the Coversheet should be provided to Internal Audit according to the timetable.
11. Internal Audit will monitor external audit status and regularly update the Audit Committee on corrective action of external audits to ensure appropriate Resolution of Findings.
 - a. The Board will be made aware of corrective action status through the Summary of Audit Committee Actions provided to the Board for Board meetings.

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12. Internal Audit will retain a copy of all external audit reports in accordance with record retention schedules.