

UTAH STATE BOARD OF EDUCATION INTERNAL AUDIT CHARTER

Introduction

The Utah Internal Audit Act, per Utah Code 63I-5-401(3), requires the Internal Audit Director to ensure appropriate standards are followed in the performance and reporting of audits. Utah Administrative Rule (“the Rule”) 277-116-3(1)(b) requires the audit director to “direct the audit program... in accordance with the current International Standards for the Professional Practice of Internal Auditing (IIA Standards).” This charter demonstrates compliance with IIA Standard 1000, which requires a charter to formally define “the purpose, authority, and responsibility of the internal audit activity”.

Authority and Responsibilities

The Utah State Board of Education is authorized as outlined in the Code noted above to direct the establishment of an internal audit department for programs administered by the entities it governs.

The purpose of the Rule noted above is to outline the authority and responsibilities of the Audit Director, Superintendent, and Agency. The Rule (R277-116-5) requires the agency to cooperate and provide the Internal Audit Director and staff all:

- Necessary access to those charged with governance, management, and staff; and
- Personnel, records, data, and other agency information considered necessary to carry out their assigned duties.

The chief audit executive (CAE) is the principal internal auditor with overall responsibility for the internal audit function; the designation for the CAE is the Director of Internal Audit. The Director of Internal Audit and the Internal Audit Department staff function as staff for the Audit Committee of the Board and report directly to the Audit Committee of the Board and ultimately to the Board.

The roles and responsibilities of the Internal Audit Department and staff are further defined in the Rule (R277-116-3) and the Internal Audit Department Policy and Procedures Manual.

Objectives and Purpose

The Rule (R277-116-6-8) also outlines “the Board’s procedures for audits of agencies,” including procedures for the audit plan, audit process, and audit reporting. The Rule defines “Agency” as entities governed by the Board, LEAs, and sub-recipients.

Internal auditing is an independent and objective assurance and consulting function designed to add value and improve operations. Assurance services (audits) may, depending upon the audit scope, identify:

- The adequacy of the agency’s systems of internal control,
- The efficiency and effectiveness of the agency’s management in carrying out assigned responsibilities
- The efficiency and effectiveness of agency programs, accounts, sections, etc., and
- The agency’s compliance with applicable laws, rules, and regulations.

Consultation reviews are non-audit services where auditors provide technical advice, counsel, training, or assistance upon formal request. Consultations must not result in auditors making management decisions or performing management functions.

For additional detail on the objectives and purpose of the Internal Audit Department, see Chapters I-IV of the Internal Audit Department Policy and Procedures Manual.

Professional Standards

The Internal Audit Department is committed to the professional practice of internal auditing as defined by the Institute of Internal Auditors (IIA). All Internal Audit Department staff will follow the Code of Ethics of the IIA, which includes principles such as Integrity, Objectivity, Confidentiality, and Competency. Internal Audit Department staff will follow all administrative rules, agency policies, applicable state laws, and the Internal Audit Department’s Policy and Procedures Manual. Internal audits will be conducted in accordance with the IIA Standards as required by Utah Code and the Rule.

The Utah Internal Audit Act and IIA standards require that the internal audit department be free of operational and management responsibilities that would impair their ability to make independent audits. The Internal Audit Department’s audit process does not in any way relieve the Board or the agency, as defined in the Rule, of the responsibilities assigned to them.

The Internal Audit Department Policy and Procedure Manual, Chapter I, includes additional details regarding independence and objectivity and other professional standards.

Approval:



Chair, Utah State Board of Education

8 Oct 2015
Date



Director, Internal Audit

10/8/15
Date