

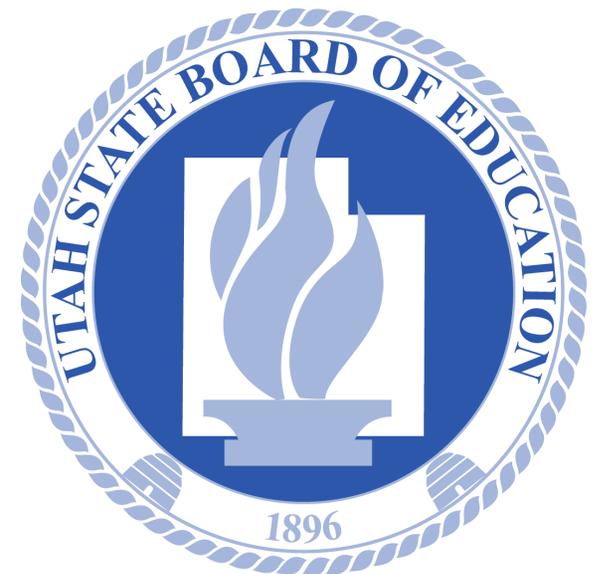
SFY 2017 Budget Update

Utah State Board of Education

Internal Audit



Debbie Davis, CPA, Director of Internal Audit



Internal Audit Vision/Mission Statement

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Analyzing Education Independently and Objectively for Utah

...and **Why**

Educational Equity

- Compliance
- Controls

Quality Learning

- Performance

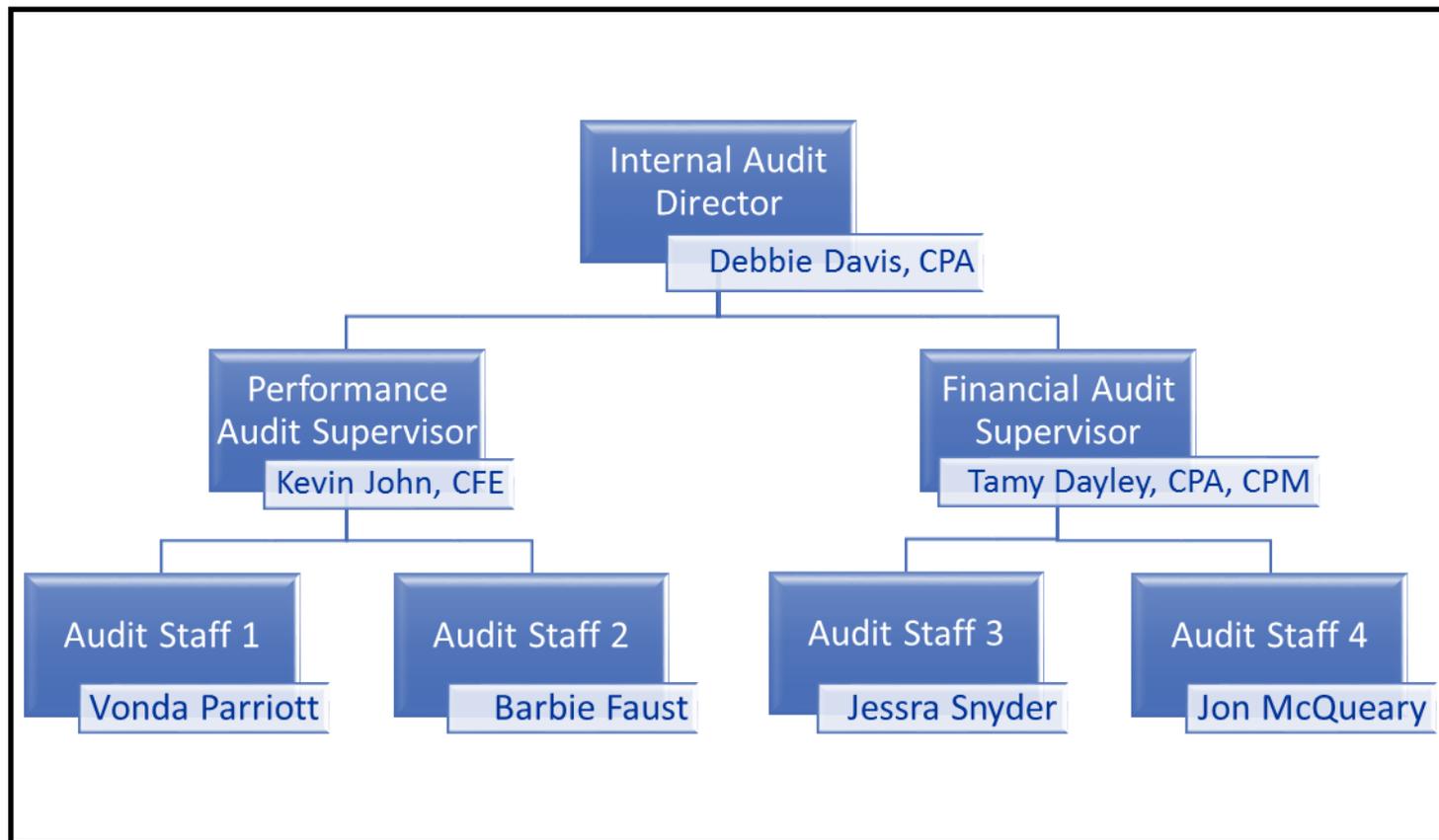
System Values

- Governance
- Risk Management

USBE Internal Audit Department

Organization Chart

(as of 08/23/2016)



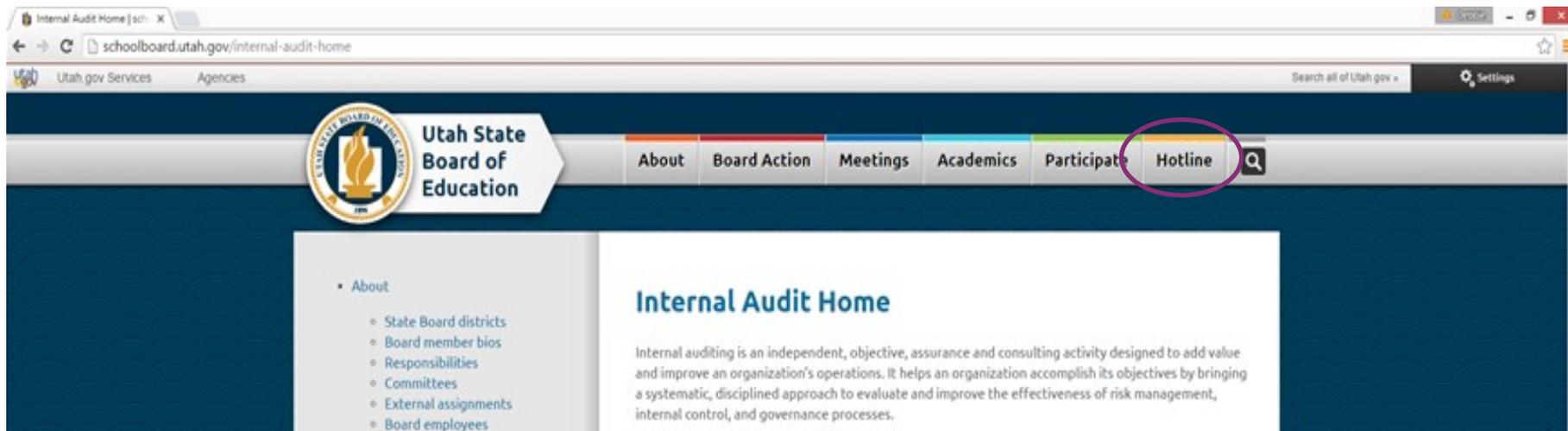
We have also requested a Part-time Office Specialist I position to help with administrative tasks.

USBE Internal Audit Department Requirement

The Internal Audit Department (IA) is required by Utah Code 63I-5-201(4) The Utah Internal Audit Act and Administrative Rule R277-116 Audit Procedure. Utah Code, as outlined above, requires IA to comply with professional internal auditing standards, which include continuing professional education requirements, and to report to the USBE Audit Committee regularly. IA is required to be independent from management functions to ensure unbiased, objective, analyses.

All entities governed by the Board or receiving funding from the Board may be audited by the Internal Audit Department at the approval of the Board and in consideration of consideration of risk.

The Internal Audit Department is funded wholly by an appropriation from the Education Fund.



Internal Audit Home | schoolboard.utah.gov/internal-audit-home

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Internal Audit Home

Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

SFY2017 Internal Audit Budget to Actual Summary

Note: 2017 Amounts DO NOT include carryforward

Funding Sources	Actual FY2016 Expenditures		2017 Board Approved Budget		Expenditures (8/31/2016)		Exp % of Budget
Education Fund (0222 T017 project 02)	859,201	A	1,028,025.30	A	79,227.42		7.71%
Expenditure Category		% of Ttl		% of Ttl			
Salaries & Benefits	648,355.39	80%	794,983.46	77%	77,933.40	B	9.80%
Travel	5,970.93	1%	10,150.00	1%	596.22		5.87%
Purchased Services	11,590.61	1%	14,700.00	1%	632.06		4.30%
Rental Expenses	513.42	0%	600.00	0%			0.00%
Office Expenses	1,038.95	0%	5,535.00	1%			0.00%
Supplies and Materials	5,289.37	1%	5,400.00	1%	65.74		1.22%
Equipment	6,702.19	1%	8,800.00	1%			0.00%
Other Operating Expenses	10,220.70	1%	36,015.00	4%			0.00%
Indirect Cost	123,835.88	15%	151,841.84	15%			0.00%
Total	813,517.44		1,028,025.30		79,227.42		7.71%

Notes

A In 2016, Internal Audit was funded \$425,000 of on-going appropriation and the remainder from Board discretionary funds. For 2017 the legislature fully funded Internal Audit with on-going funds. Also note that the majority of increase from 2016 to 2017 is due to an additional FTE that was funded for an auditor and the increase to the indirect cost rate.

B Payroll expenditures to date don't reflect that there are timing differences in recognizing payroll expense (i.e., it takes 2-weeks to process payroll, so while not included as an expenditure there is a liability for the agency to meet that obligation).

SFY 2017 Internal Audit Department Budget Summary

Does NOT include Carryforward Requests

Object	Budget Area	FINET Budget Description	Zero Based Budget Determination Factor(s)	Approved Budget	
5*	Salaries and Benefits	Salaries & Benefits	Internal Accounting estimate	794,983.46	
6001	Travel	In-State S-t Motor Pool	Estimate based on reviewing per diem and lodging rates and reviewing the current audit plan.	800.00	
6002	Travel	In-State Reduced Auto		800.00	
6005	Travel	In-State Meal		600.00	
6006	Travel	In-State Lodging		1,800.00	
6052	Travel	Out-State Reduced Auto		150.00	
6055	Travel	Out-State Meal		450.00	
6056	Travel	Out-State Lodging		3,000.00	
6057	Travel	Out-State Transp.		2,550.00	
6115	Purchased Services	Human Resources Services		Legislative Rate	5,100.00
6116	Purchased Services	Payroll Services		Legislative Rate	400.00
6126	Purchased Services	Wireless Communication	Estimate based on prior year	5,000.00	
6132	Purchased Services	Communication Services	Estimate based on prior year	4,000.00	
6136	Purchased Services	Postage and Mailing	Estimate based on 5 year trend	200.00	
6161	Rental Expense	Rental of Land & Bldgs	Internal Service Rate	600.00	

SFY 2017 Internal Audit Department Budget Summary Cont.

Object	Budget Area	FINET Budget Description	Zero Based Budget Determination Factor(s)	Approved Budget
6171	Supplies & Materials	Bldgs & Grnds - Op Supplies	Rate per square footage and misc maintenance	5,000.00
6181	Office Expenses	Office Supplies	Estimate based on 5 year trend and expected expenses	500.00
6182	Office Expenses	Printing & Binding	Estimate based on 5 year trend and expected expenses	150.00
6185	Office Expenses	Books & Subscriptions	Estimate based on 5 year trend and expected expenses	2,885.00
6186	Office Expenses	Photocopy Expense	Estimate based on maintenance agreement and prior year copies	2,000.00
6188	Equipment	Office Furnishings	Estimate based on 5 year trend and expected expenses	600.00
6189	Equipment	Small Equip/Supplies	Estimate based on 5 year trend and expected expenses	1,000.00
6300	Supplies & Materials	DTS Telecommunication	Estimate based on 5 year trend and FTEs (s/b \$450)	-
6263	Other Current Exp	Insurance & Bonds	Internal Service Rate	3,000.00
6269	Other Current Exp	Employee Training& Dev	Estimate considering obtaining or maintaining licenses/certificates	13,655.00
6274	Other Current Exp	Membership Dues	Estimate considering UPM's, training, and licenses	1,800.00
6282	Other Current Exp	Employee Educational Assistance	Estimate considering UPM's and DHRM rules	17,560.00
6468	Equipment	DP Software <\$5K Netw	Estimate based on prior year for electronic audit mgt software	2,000.00
6469	Equipment	DP Hardware <\$5K Laptop	Estimate based on FTE's and age of computers	3,000.00
6473	Equipment	DP Software <\$5K Other	Estimate based on prior year for audit data analysis software	2,200.00
6582	Supplies & Materials	Data Processing - Supplies	Estimate based on 5 year trend and expected expenses	400.00
7523	Indirect Costs	Indirect Costs	Indirect Cost Rate of 19.1%	151,841.84
	Total			1,028,025.30

Internal Audit Department Spend Plan for 2016 Carryforward in 2017

		Current	Requested Increase	Total
Source:	Education Funds			
Available Amount:	45,683.56			
Appropriation Code:	PAK			
Unit:	0222			
Amount of Available funds that is Unrestricted	45,683.56			
Requested Carryforward:	45,683.56			
Unrequested Carryforward	-			
		Current	Requested Increase	Total
Each request to use carryforward below shows the current budget amount, the requested increase in the budget amount (i.e., carryforward), and the revised budget total.				
Travel				
6001	In-State S-t Motor Pool	800	1,500	2,300
Office Supplies				
6181	Office Supplies	500	1,100	1,600
Supplies and Materials				
6300	DTS Telecom	-	450	450
Membership Dues				
6274	Membership Dues	1,800	275	2,075
Employee Training and Development				
6269	Employee Training & Dvlpmnt	7,100	18,700	25,800
Potential Incentive Award/Bonus				
5150	Incentive Award	-	3,000	3,000
The request below was an option identified in September Finance Committee and was previously unrequested. Depending on if other options are available for administrative help, the item below may or may not be necessary.				
Time Limited Office Specialist Position		Current	Requested Increase	Total
5101	Wages/Benefits	-	20,659	20,659

IMPACT

