

*USBE
Internal
Audit*



Because *YOU* can't fix what
YOU don't know is broken!



63I-5-201. Internal auditing programs -- State agencies.

(4) The State Office of Education shall establish *under the direction of the State Board of Education* an internal audit program that provides internal audit services...

Proposed Prioritized Audit Plan for SFY 2016

Assurance Projects

Audit #	Audit	Type	USBE Area(s)
<u>Approved</u>			
15-05	VR Targeted Case Review	Compliance	USOR
15-11	Monthly Budget Report/Discretionary Funds Report	Financial	USBE
15-12	State Fleet Use	Performance	USOE
15-13	Tooele Textbook Hotline	Financial	Sub
15-14	Washington County School District Hotline	Financial	Sub
<u>Proposed</u>			
	MSP Data Review for CDC	Financial	USOE
	Charter School Signatory Power and Performance	Performance	USOE
	USDB Foundation*	Financial	USDB
	Membership/Value Data Audit	Perf/Fin	USOE
	Impact of Charter Schools	Perf/Fin	USBE
	Internal Audit Assessment (Required by IIA Standards)	Compliance	IA
* Will bill USDB for any audits performed.			
<u>On Deck (if time permits)</u>			
	LEA Allocation Formula Audit (Related to MSP Data Review)	Financial	USOE
	Subrecipient Monitoring Procedures	Fin/Compl	USOE/OR
	ASPIRE System	Performance	USOE
Audits related to hotline calls or requests will be added & as approved by the Committee.			
Followup on prior audit findings will also be added once the tracking database is ready.			
Other Internal Audit Responsibilities			
	Ongoing/Annual Risk Assessment		
	Internal Audit Section Policy and Procedure Manual		
	Hotline Maintenance		
	External Audit Liaison - Audit/Finding Tracking Database		
	Continuing Professional Education		
	Board Meeting Attendance/Material Preparation		

Mitigation Risk Universe – 55 risks
 Audit Risk Universe – 64 risks

Proposed Audits =
 7.81% of risks



Internal Audit Budget ~ \$858K

78% Staff



4% Professional
Development &
Audit
Applications

14% Indirect Cost

4% Equipment
and Supplies

Internal Audit Director

Debbie Davis - CPA

We love it when a plan comes together!

**Requested:
Admin
Secretary**

**Performance Audit
Supervisor
Kevin John**

**Financial/Compliance
Audit Supervisor
Nate Johansen - CPA**



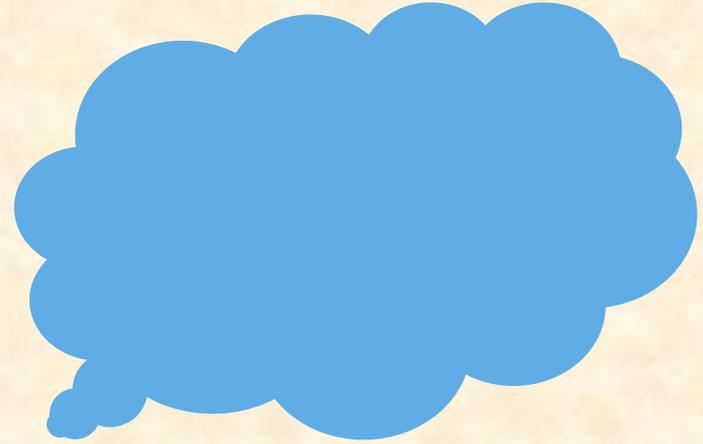
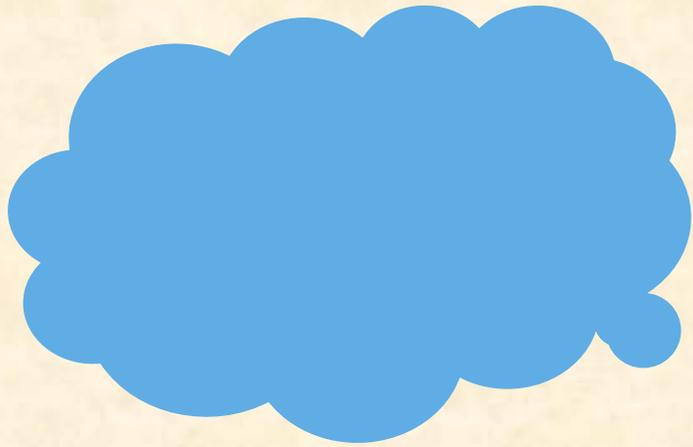
**Audit Staff
Vonda
Parriott**

**Audit Staff
Barbie
Faust**

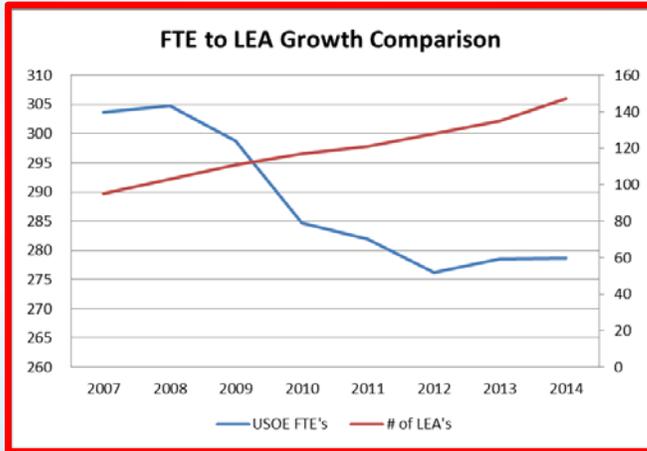
**Audit Staff
Dawn
Benke**

**Requested:
Audit Staff**

USBE Wish List for IA



Internal Audit Trend Analysis						
State Fiscal Year	2010	2011	2012	2013	2014	2015
Revised Total Expenditures	112,087.19	203,968.30	248,318.44	318,407.48	368,531.61	400,567.95
IA Staff (at yearend)	1	2	2	3	3*	6



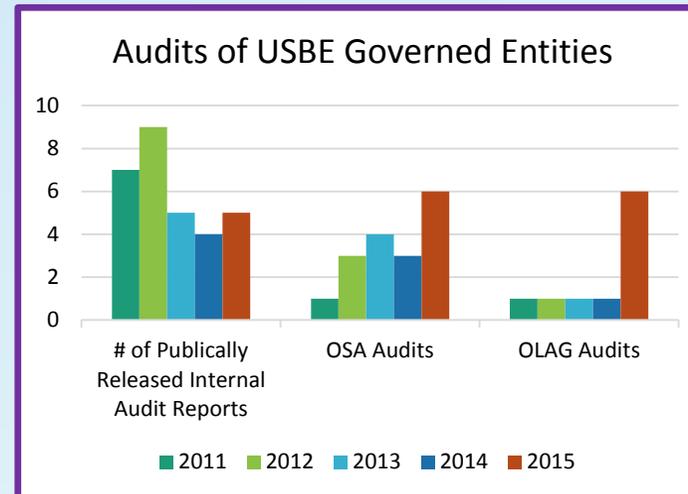
Why auditors?

USBE has experienced **increased responsibility, financial & performance accountability**, and **external scrutiny** with **less internal review** and **institutional knowledge**.

SFY	Educ. Actual Expenditures (Per CAFR)	% Increase from Prior Year
2010	2,939,144,000	
2011	3,035,227,000	3.27%
2012	3,028,720,000	-0.21%
2013	3,105,275,000	2.53%
2014	3,229,793,000	4.01%
2015*	3,334,880,000	3.25%
*Estimate		

Increased turnover in almost every Superintendent and Section/Agency Director position in the past 2 years, which increases inherent risk for the organization.

Internal Audit Ratio Analysis			
	IA Staff	2014 Annual Expenditures	Exp to IA Staff Ratio
ED	4	3,229,793,000	807,448,250
DWS	5	709,031,000	141,806,200
DOH	6	2,670,932,000	445,155,333



Extremely high impact internal audit reports completed in 2015 include:

- Indirect Cost Review
- Year-end Financial Close Process.

Extremely high impact external audits:

- OLAG USOR Performance Review

Other important projects:

- Annual Risk Assessment

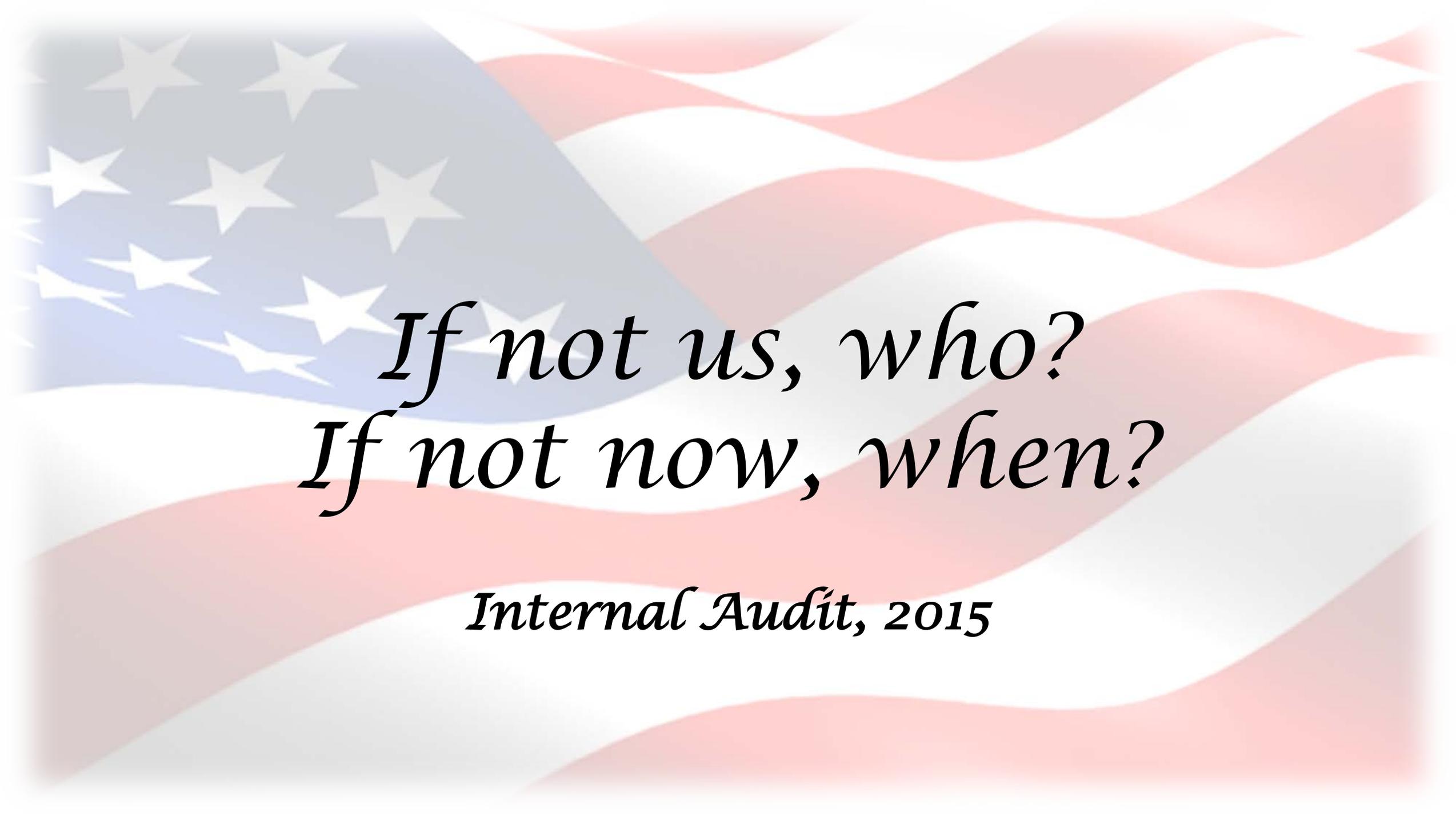
*What risks have
you noted in
Education?*



More
Risks

Risks



The background of the image is a stylized, wavy American flag. The stars are white on a blue field, and the stripes are red and white. The flag is slightly faded and has a soft, ethereal quality.

*If not us, who?
If not now, when?*

Internal Audit, 2015