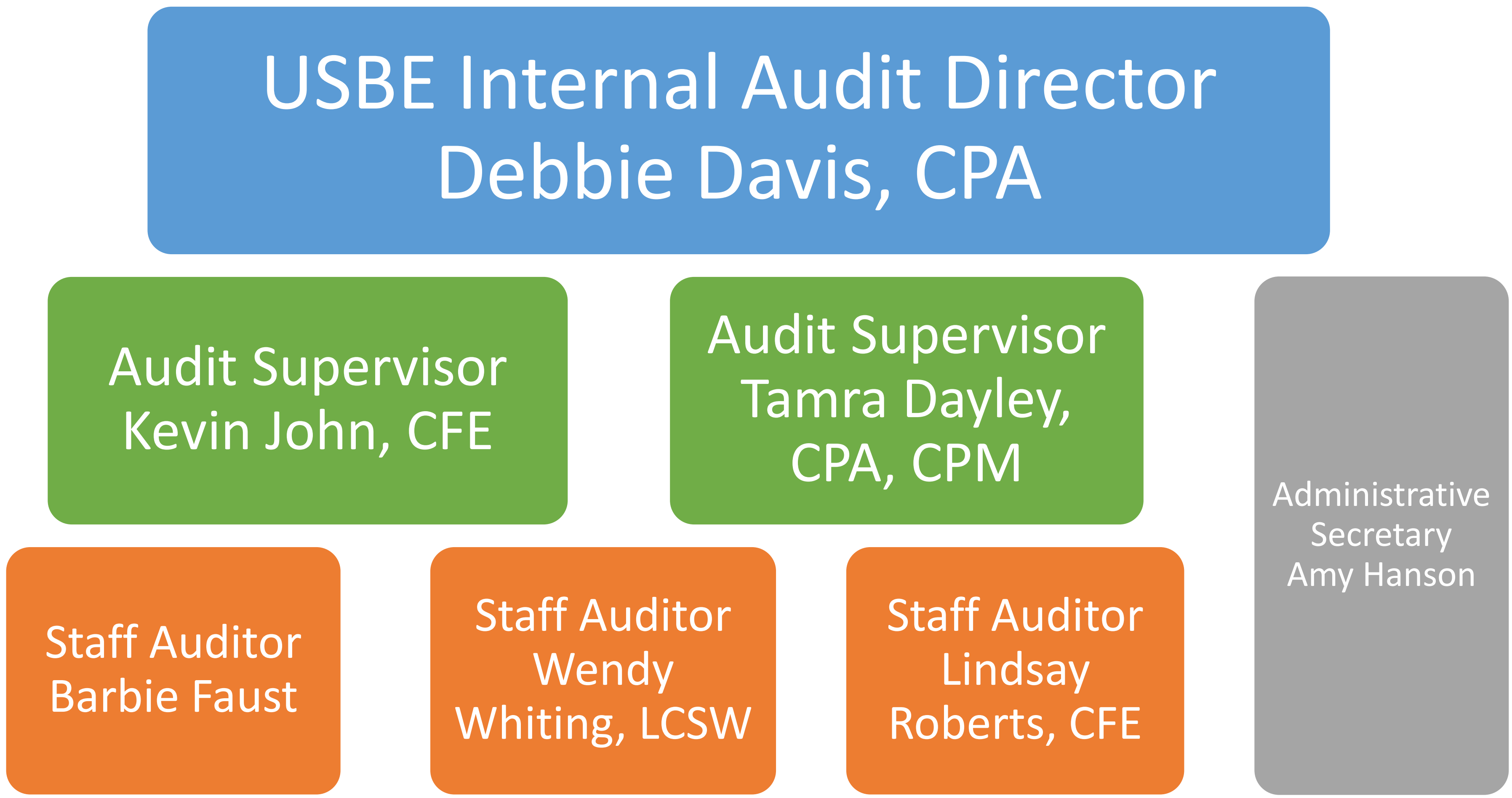
Risk, Audits, & Corrective Action

Debbie Davis, CPA

USBE Internal Audit Director

November 28, 2017

Thank You!


USBE Internal Audit Director
Debbie Davis, CPA
Audit Supervisor
Kevin John, CFE
Audit Supervisor
Tamra Dayley, CPA, CPM
Administrative Secretary
Amy Hanson
Staff Auditor
Barbie Faust
Staff Auditor
Wendy Whiting, LCSW
Staff Auditor
Lindsay Roberts, CFE

Purpose and Authority

Index	Utah Code
Title 631	Oversight
Chapter 5	Utah Internal Audit Act
Part 1	General Provisions
Part 2	Internal Auditing Programs
Part 3	Audit Committee
Part 4	Duties of Director

Rule R277-116. Audit Procedure

International Standards for the Professional Practice of Internal Auditing (Standards)

The Institute of Internal Auditors

AEIOU and Y

Analyzing Education Independently and Objectively for Utah

WhY

To ensure the public can have trust and confidence in the governance and management of education in seeking excellence for each student.

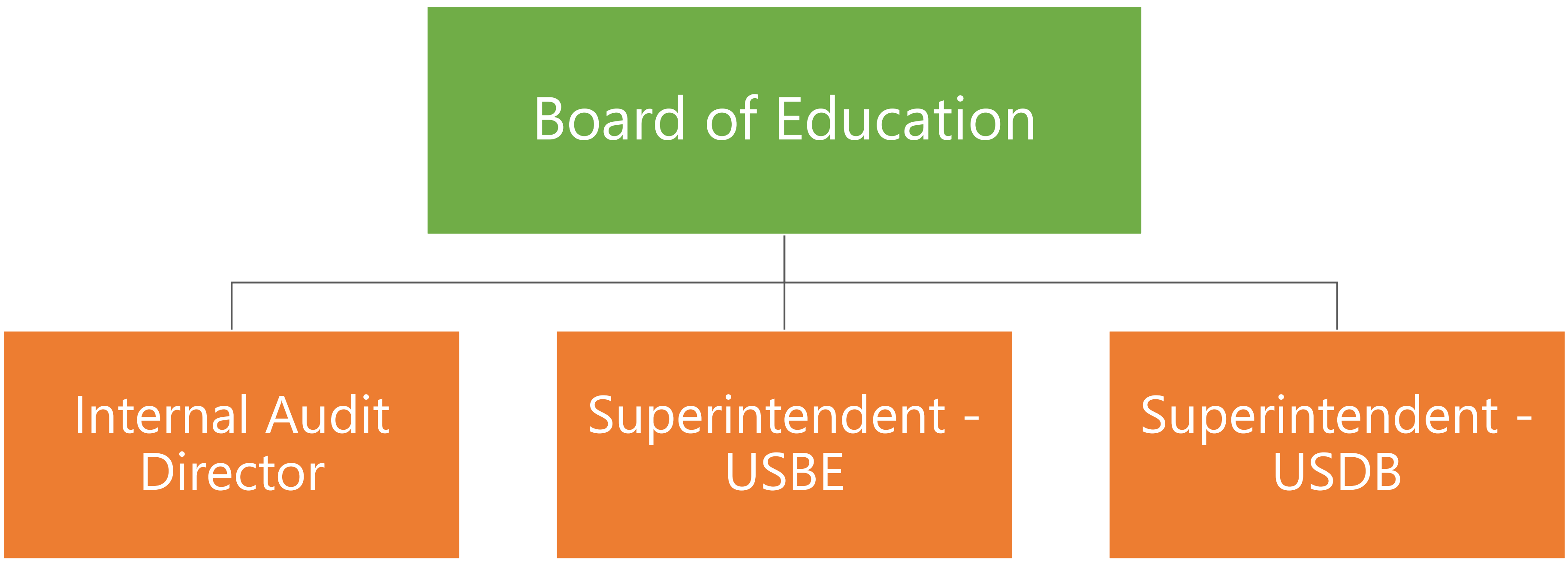
- ✓ **Continuing improvement and mitigation of risk**
- ✓ **Safeguarding funds entrusted to public education by taxpayers**
- ✓ **Protecting Board members, employees, and students by facilitating a strong internal control environment**
- ✓ **Minimizing the potential for fraud, waste, abuse and noncompliance**

Analysis

Data-Driven Decisions

But this is where the GPS said to turn...

Independence and Objectivity



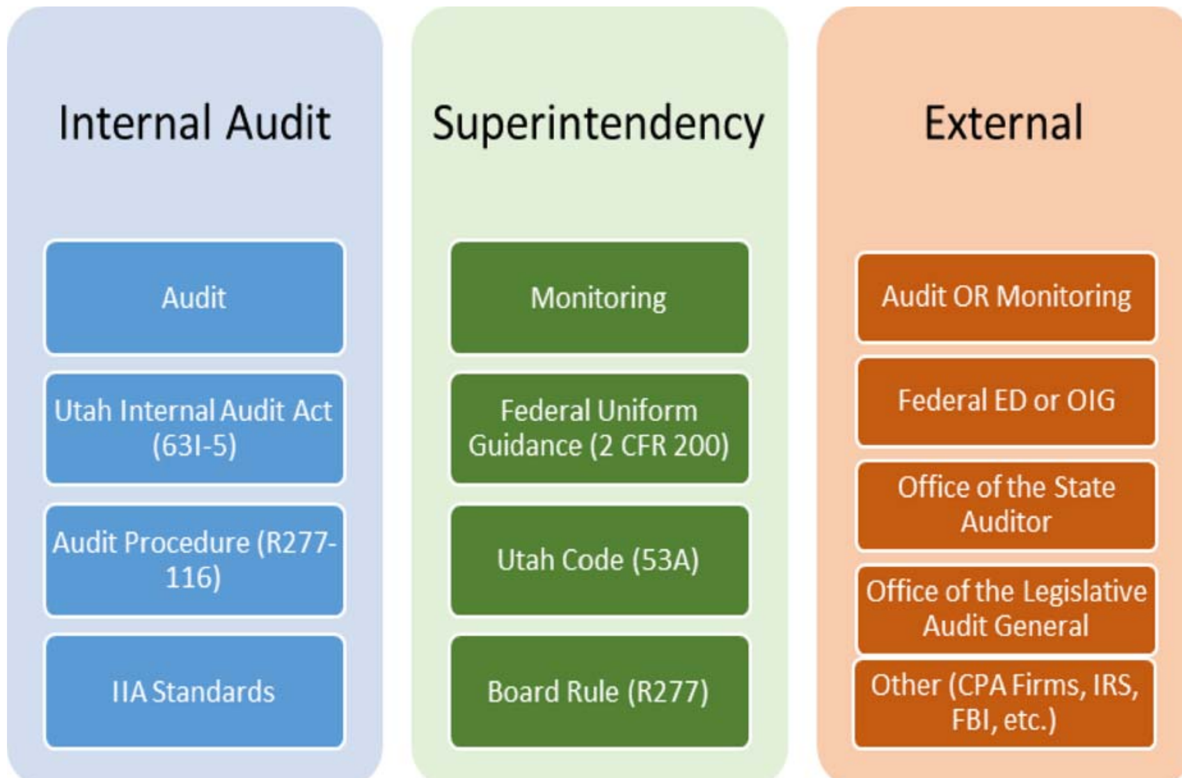
For Utah

Citizens

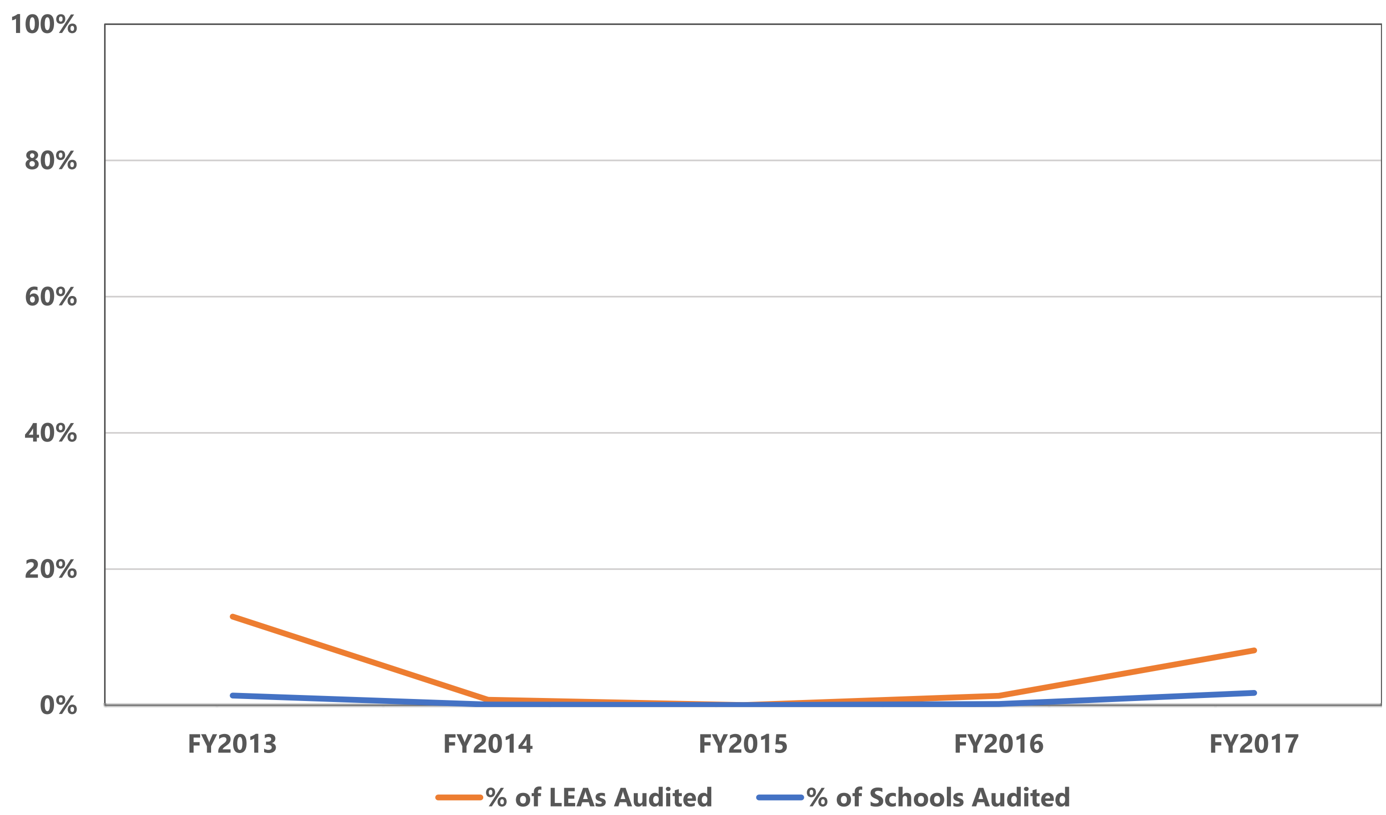
Taxpayers

All Utahns!

Auditing or Monitoring



Percentage of LEAs and Schools Audited 2013-2017



Risk

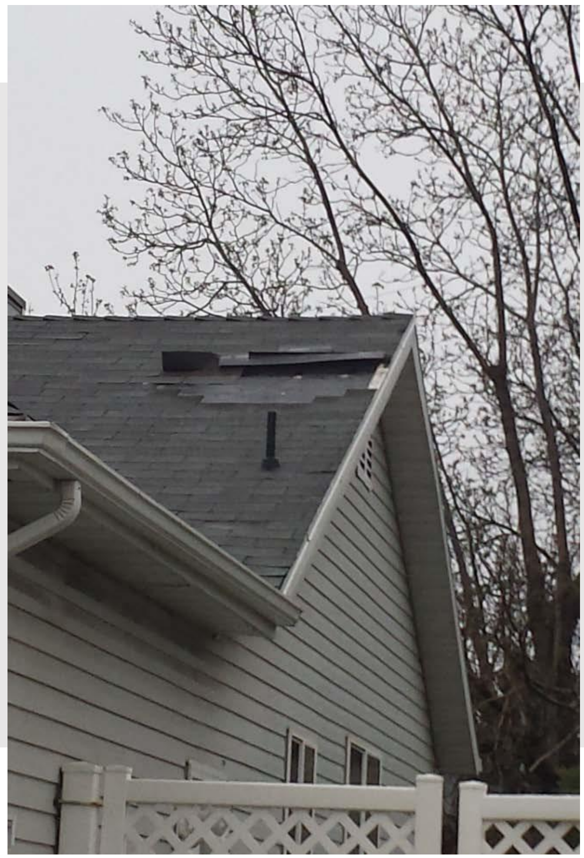
Something that **COULD** blow up in your face

OR

"The **possibility** of an event occurring that will have an impact on the achievement of objectives and it is measured in terms of impact and likelihood."

~Institute of Internal Auditors

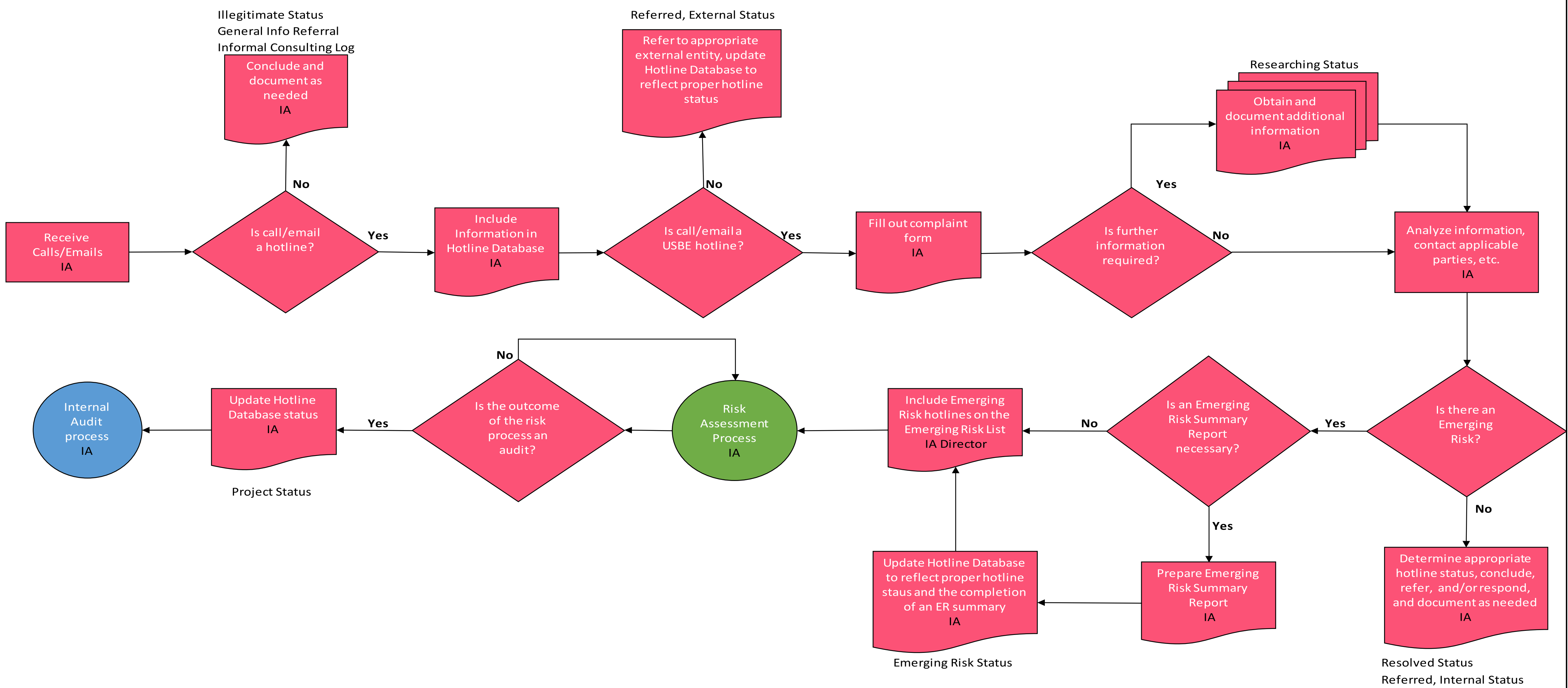
Risk Identification, Assessment, and Mitigation



Risk Identification: Education

USBE Internal Audit Hotline Flowchart

Also see process as outlined in the Policy and Procedure Manual - Audit Services

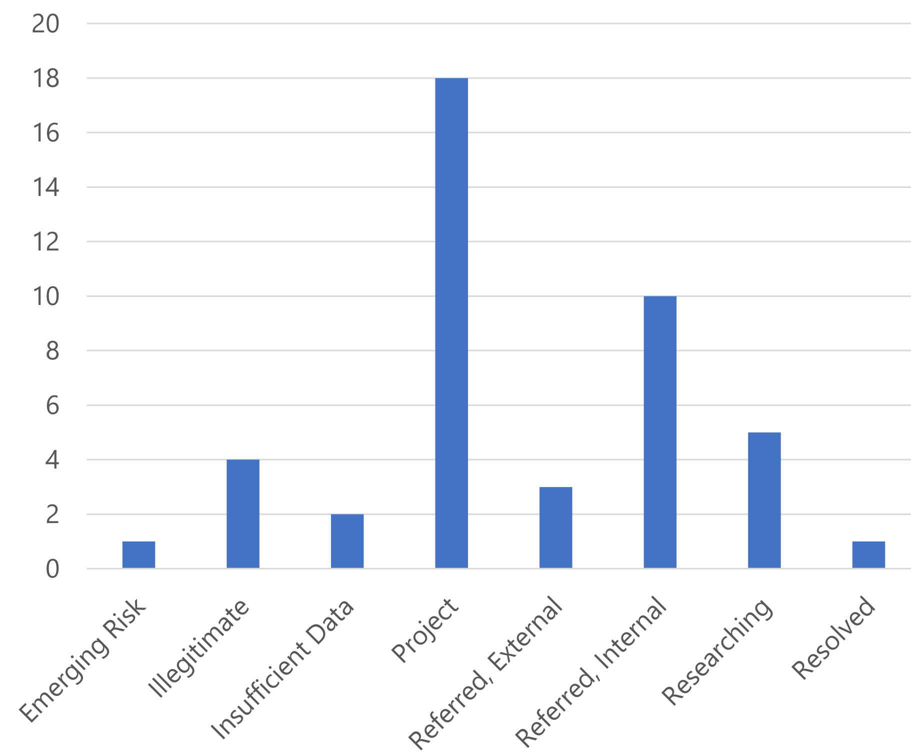


Hotlines – FY2018 First Quarter

2018 Q1 Complaints Filed By	
Citizen	3
Grantor	0
LEA	3
Parent	18
Student	2
USBE	13
Other	4
Total	43

2018 Q1 Complaints Against	
Charter	5
District	28
USBE	0
USDB	0
Vendor	2
LEA	3
Other	5
Total	43

2018 Q1 Hotline Action Status



Internal Control Environment – Policies & Procedures

- Specific to Organization
- Comprehensive
- Written and Approved
- Available/Accessible
- Followed by Management
- Trained on Regularly
- Reviewed Regularly for Effectiveness

Identified Risks

- Procurement
- Student Membership
- School Construction
- Assessments and Opt-out
- Student Data Privacy
- School Fees
- Required Info on LEA Websites

Risk Assessment

Finding Elements

- Criteria
- Condition
- CAUSE
- Effect
- Recommendation

Risk Mitigation - Continuous Improvement

Root Cause Analysis

5 Whys Example: The City's Monument was Disintegrating

From the chemicals to clean pigeon droppings.

They eat spiders and there are a lot of spiders at the monument

They eat gnats and there are a lot of gnats are at the monument

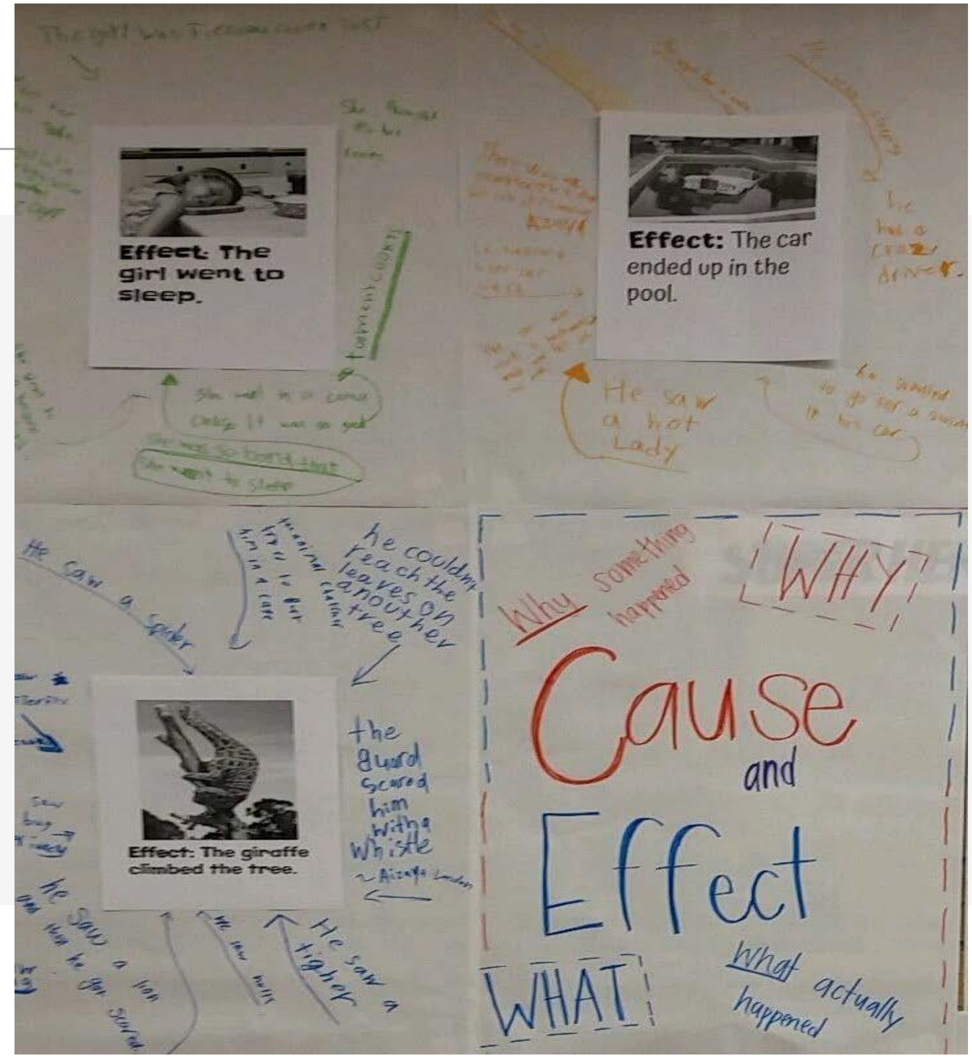
They are attracted to the light at dusk

Solution: Turn on the lights at a different time or use a different kind of light bulbs

Source: IIA Central Regional Conference 2016

Risk Mitigation

- Design
- Implementation
- Operating Effectiveness



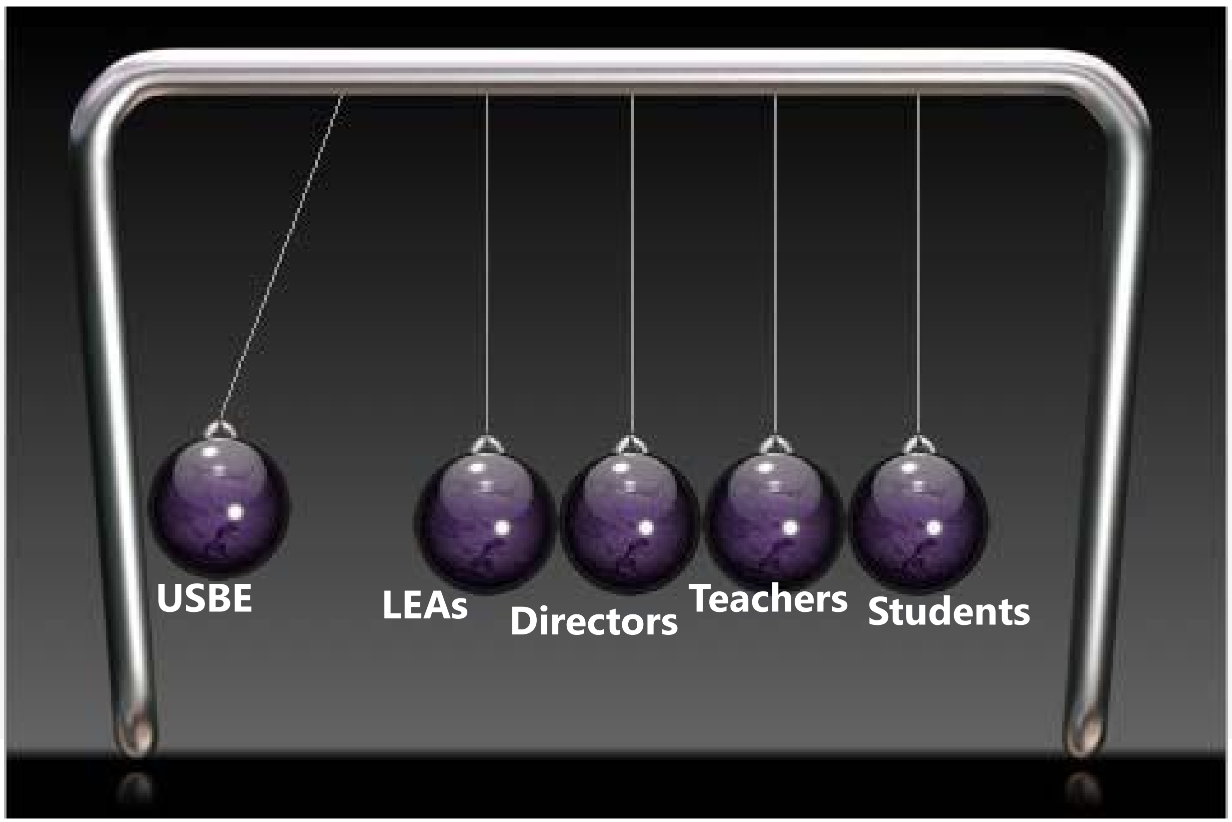
AEIOU and Y

Analyzing Education Independently and Objectively for Utah

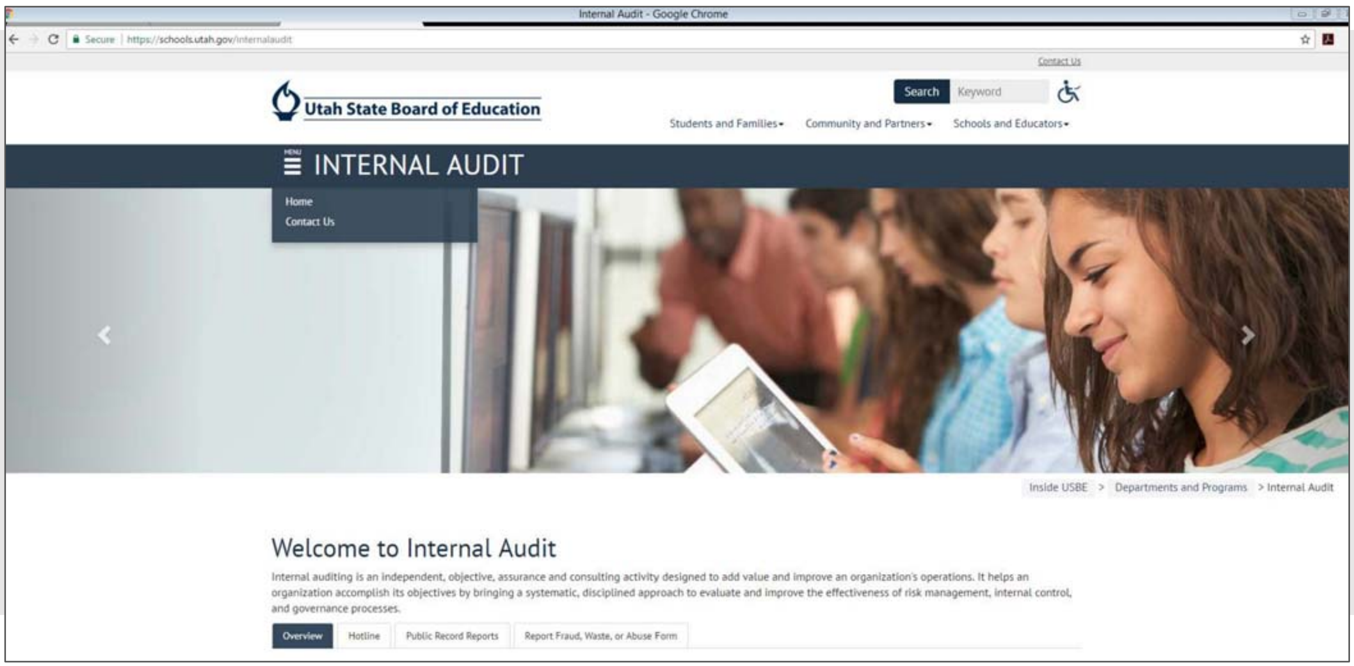
WhY

To ensure the public can have trust and confidence
in the governance and management of education
in seeking excellence for each student.

Impact



Where You Can Find Us



https://schools.utah.gov/internalaudit

Questions?