State of Utah

Office of the Legislative Auditor General

Information for Audited LEAs

The information presented here is intended to provide you with a broad understanding of the role of the Office of the Legislative Auditor General and how it conducts LEA systemic performance audits.

■ Who We Are

The Office of the Legislative Auditor General (OLAG) is constitutionally created by Article VI Section 33 of the ***Utah Constitution*** which states:

> *The legislative auditor shall have authority to conduct audits of any funds, functions, and accounts in any branch, department, agency or political subdivision of this state and shall perform other related duties as may be prescribed by the Legislature. The legislative auditor general shall report to and be answerable only to the Legislature.*

The Auditor General is appointed for a six-year term and reports directly to the bipartisan Legislative Audit Subcommittee.

■ What We Do

OLAG performs audits and systemic performance audits that have been prioritized by the Legislative Audit Subcommittee.

Utah Code 36-12-15.1 states:

> *Each year, subject to the availability of work capacity and the discretion of the Audit Subcommittee..., the Office of Legislative Auditor General may, in addition to other audits performed by the office, perform...a systemic performance audit of one or more local education agencies.*

OLAG primarily conducts performance audits to evaluate the efficiency, effectiveness, compliance, and
operations of governmental agencies, programs, and LEAs. We provide the Legislature and these entities with independent analysis, evaluation, and recommendations regarding the performance of audited activities. Systemic performance audits of LEAs typically last from six to eight months. The audit team will work on -site at the LEA for most of the audit's duration.

■ Access to Information

Utah Code 36-12-15(6)(a)(i) gives OLAG access to all records, documents, and reports of any entity that OLAG is authorized to audit, notwithstanding any other provision of law. ***Utah Code*** 63-2-206(1) clarifies that this access extends to non-public records by stating that "a governmental entity may provide a record that is private, controlled, or protected to another governmental entity . . . if the requesting entity is authorized by state statute to conduct an audit and the record is needed for that purpose."

■ Audit Scope

The scope of work to be performed as part of systemic performance audits is outlined in ***Utah Code*** 36-12-15.1(2)(b). A systemic performance audit shall:

> *Evaluate the extent to which the entity has efficiently and effectively used the appropriation by identifying: the entity's appropriation history; the entity's spending and efficiency history; and historic trends in the entity's operational performance effectiveness; evaluate whether the entity's size and operation are commensurate with the entity's spending history; evaluate whether the entity is diligent in its stewardship of resources; provide a systemic performance audit of the entity's operations performance improvements; if possible, incorporate the audit methodology of other audits performed by the Office of Legislative Auditor General...*

As described in the next section, the audit team conducts a risk assessment during survey phase that is unique to each individual local education agency to determine the specific areas that will be audited.

■ Audit Process

Audits typically consist of three phases. Audit teams will meet with the superintendent regularly during the audit to provide updates. The superintendent is invited to contact the auditor general, audit manager, or audit supervisor with questions or concerns.

Survey Phase: Once an audit is prioritized, LEA leadership is contacted and an entrance conference is set up. At the entrance conference, the purpose of the audit is discussed, the audit team is introduced, and logistical questions are discussed (e.g., space needs). LEA leadership is free to discuss any relevant issues, concerns, or questions. The purpose of survey work is to enable audit staff to become familiar with LEA operations and assess risks observed in the LEA. The audit team typically begins working on-site at the LEA after the entrance conference. The initial scope of the audit includes all LEA departments, functions, programs, and funding.

Field Work Phase: The scope of audit work narrows to select areas during the field work phase. Work done by auditors during this phase focuses on risk areas identified during survey. The scope of the audit can continue to evolve through the end of field work and into report writing. During this phase, the audit team collects information, observes activities, reviews and tests LEA data or processes, and evaluates the results of the various analyses. Often the audit team can retrieve data with minimal assistance from LEA staff. In other cases, field work may involve observing staff while on the job, interviewing staff, teachers, and principals, and other techniques that require LEA time.

Report Writing Phase: Once field work is completed, the audit team prepares an exposure draft of the report. LEA leadership and a limited number of LEA personnel receive a copy of the exposure draft, which is confidential and not to be copied. After the LEA has reviewed the exposure draft, an exit conference is conducted between LEA leadership and the audit team. The purpose of the exit conference is to give the LEA an opportunity to point out any errors of fact, call attention to additional information that might have been overlooked, and discuss conclusions and recommendations.

Based on LEA comments at the exit conference, the audit team will make appropriate changes to the exposure draft. A final draft, which is also confidential and not to be copied, is sent to the previous exposure draft recipients. OLAG requests that LEA leadership prepare a written response for inclusion in the final report.

■ Release of Audit Report

Audit staff will notify the LEA of the time and place of the Legislative Audit Subcommittee meeting. Twenty-four hours prior to this meeting, an embargoed copy of the report is made available to the news media. Embargoed copies are still confidential documents, but reporters may contact LEA officials prior to the subcommittee meeting. At the meeting, a formal presentation is made by the audit supervisor, and a response by LEA leadership is also heard. At this meeting, the audit becomes public. The Legislative Audit Subcommittee will refer the audit to two legislative committees, a lead committee and a review committee, which typically hear a presentation of the audit and a response by the LEA.

■ Audit Follow-Up

A year after the audit's release, the audit team asks the LEA for an update on recommendation implementation. Based on information gathered, OLAG's annual report identifies, by audit, which recommendations were fully implemented, partially implemented, and not implemented.

■ Audited LEA Responsibilities

LEAs are expected to accommodate auditor requests for access to personnel, information, records, explanations, and assistance. However, efforts are made to minimize LEA staff time. The LEA is also expected to provide workspace, if possible, for most of the audit's duration so that the audit team can work on-site.