

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Review Item:

Audit Update

Applicable Statute(s) or Regulation(s):

KRS 45.149

History/Background:

Existing Policy. Several audits have been completed or are currently in process. Some of the audits are conducted by the Office of the Auditor of Public Accounts (“APA”) as part of their normal statutory functions. Others audits are conducted by federal program auditors reviewing certain federal grants. KDE staff will review the completed audits and answer questions as needed at the October meeting.

Updates on audits since April 2015 are as follows:

State Audits:

FY 2014 Statewide Single Audit of Kentucky (SSWAK) – Volume II

Volume II reviews elements required under OMB Circular A-133, including the report on compliance with requirements applicable to each major program, internal control over compliance in accordance with OMB Circular A-133, and the schedule of findings and questioned costs. Volume II is complete and can be viewed at www.auditor.ky.gov. There were no findings.

Historical Summary of the Number of Annual Published SSWAK Findings

Audit Year	2009	2010	2011	2012	2013	2014
SSWAK Vol. I	13	9	8	4	2	2
SSWAK Vol. II	1	0	4	4	3	0

FY14 A-133 School District Reviews

Desk reviews occur to assist KDE in ensuring that audit reports of school districts and other entities meet applicable reporting standards and Office of Management and Budget (OMB) Circular A-133 reporting requirements. The audit collection log is being reviewed and will be available for the October meeting.

FY 2015 Statewide Single Audit of Kentucky (SSWAK) – Volume I

This volume contains financial reporting information based on the audit of the Consolidated Annual Financial Report (CAFR). It includes the APA's opinion on the Schedule of Expenditures of Federal Awards (SEFA) in relation to the financial statements. The Audit reviews internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Generally Accepted Government Auditing Standards (GAGAS), and financial statement findings related to internal control and compliance. Specifically for KDE, this volume covers financial reporting and IT security governing the controls of MUNIS, SEEK and Nutrition and Health Services (NHS). Volume I fieldwork is in process.

Impact on Getting to Proficiency:

Efficient and effective financial controls within the Kentucky Department of Education are essential to ensure that monies are used appropriately by KDE and by districts for the purpose of supporting schools and districts in reaching proficiency.

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Interim Commissioner of Education

Date:

October 2015

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