

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Review Item:

April Audit Update and Kentucky Board of Education's and Commissioner of Education's Expense Reports

Rationale:

This item is designed to brief the Kentucky Board of Education (KBE) on the status of the most recent audit activities in the Kentucky Department of Education (KDE) and local school districts; and provide expense reports for the Commissioner and the KBE.

Applicable Statute or Regulation:

KRS 156.010

History/Background:

Existing Policy: KDE routinely has multiple audit processes throughout the year. Some of the audits are conducted by the Office of the Auditor of Public Accounts (APA) as part of their normal statutory functions. Other audits are conducted by federal program auditors reviewing federal grants. The Kentucky Board of Education's and the Commissioner's expense reports are reviewed at the April and October meetings.

Summary:

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 Information Technology (IT) security governing the controls of MUNIS, SEEK and Nutrition and Health Services (NHS). Volume I is complete and can be viewed at www.auditor.ky.gov. In this audit, we had four findings that will be reviewed with the KBE.

Historical Summary of the Number of Annual Published SSWAK Findings

Audit Year	2009	2010	2011	2012	2013	2014	2015
SSWAK Vol. I	13	9	8	4	2	2	4
SSWAK Vol. II	1	0	4	4	3	0	

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

This Volume reviews elements required under Office of Management and Budget (OMB) Circular A-133, including the report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133, and the schedule of findings and questioned costs. Fieldwork for Volume II is complete and we are awaiting notification of any findings.

FY15 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 OMB Circular A-133 reporting requirements. APA is just beginning to conduct the reviews that will be available for the October meeting.

FY 2016 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 NHS. Volume I fieldwork is in process.

Budget Impact: No known impact exists.

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Commissioner of Education

Date:

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