

## KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

<b>Topic:</b> Audit Update and Kentucky Board of Education and Commissioner of Education Expense Reports			
<b>Date:</b> April 2021			
<b>Action Requested:</b> <input checked="" type="checkbox"/> Review <input type="checkbox"/> Action/Consent <input type="checkbox"/> Action/Discussion			
<b>Held In:</b> <input checked="" type="checkbox"/> Full Board <input type="checkbox"/> Curriculum, Instruction and Assessment <input type="checkbox"/> Operations			

### SUMMARY OF ISSUE BEFORE THE BOARD:

To review the status of the most recent audit activities in the Kentucky Department of Education (KDE) and local school districts and provide an opportunity to review expense reports for the Commissioner and the Kentucky Board of Education.

### APPLICABLE STATUTE OR REGULATION:

KRS 156.010

### BACKGROUND:

#### *Existing Policy:*

The KDE performs routine audits over the course of each fiscal 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 expense reports for the KBE and Commissioner's Office are reviewed semi-annually by the KBE. These reports are included in the board packets for review and discussion at the meeting (see attachments).

#### *Summary:*

### **FY 2020 Statewide Single Audit of Kentucky (SSWAK) – Volume I**

**SSWAK - Volume I** 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 the KDE, this volume covers financial reporting and Information Technology (IT) security governing the controls of MUNIS ((a financial software package used by all 171 school districts that allows for consistent reporting of school district financial information), Support Education Excellence in Kentucky (SEEK), a formula driven education

funding program and Nutrition and Health Services (NHS). The SSWAK-Volume I was released on February 9, 2021 and the Kentucky Department of Education had one finding published.

**FINDING 2020-019: The Kentucky Department of Education Did Not Close Out Grants On The Schedule Of Expenditures Of Federal Awards.**

The Kentucky Department of Education (KDE), Division of Budgets and Financial Management (DBFM) will review internal policies to minimize the time between the manual draw and disbursement of payments. If DBFM staff anticipate an allotment adjustment is needed for future quarters, an allotment adjust request will be provided to the Office of the State Budget Director (OSBD) by the required deadlines set forth by (OSBD).

**SSWAK - Volume II** presents elements required under the Office of Management and Budget (OMB) Uniform Guidance, including the report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OBM Circular A-133, and the schedule of findings and questioned costs. Volume II fieldwork is complete and we are awaiting word on any findings.

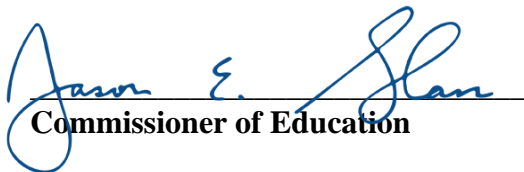
Audit Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
SSWAK Vol. I	4	2	2	4	3	2	1	0	1
SSWAK Vol. II	4	3	0	0	0	4	3	1	N/A

*Budget Impact:*

There is no budgetary impact to the KDE.

**CONTACT PERSON(S):**

Robin Fields Kinney, Associate Commissioner  
Office of Finance and Operations  
[Robin.Kinney@education.ky.gov](mailto:Robin.Kinney@education.ky.gov)  
(502) 564-1976

  
Commissioner of Education

Category: <input type="checkbox"/> Educator Workforce Diversity <input type="checkbox"/> Portrait of a Graduate Partnerships <input type="checkbox"/> Racial Equity Commitment <input type="checkbox"/> Student-Centered Accountability System <input type="checkbox"/> Early Childhood <input type="checkbox"/> District Support
--