

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: Audit Update and Kentucky Board of Education and Commissioner of Education Expense Reports

Date: April 2022

Action Requested: Review Action/Consent Action/Discussion

Held In: Full Board Curriculum, Instruction and Assessment 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.

COMMISSIONER'S RECOMMENDATION:

N/A

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 of Issue:

FY 2021 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, 2022 and the Kentucky Department of Education had no audit findings.

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 currently incomplete. Due to increased Covid-19 relief funding, new guidance was issued surrounding the auditing of such funds. As a result, the Auditor of Public Accounts has requested an extension of time to complete the audit process with an anticipated release date in early June.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
SSWAK Vol. I	4	2	2	4	3	2	1	0	1	0
SSWAK Vol. II	4	3	0	0	0	4	3	1	1	N/A

Budget Impact:

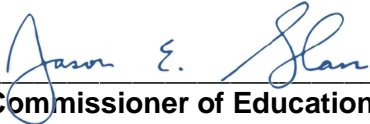
There is no budgetary impact to the KDE.

GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:

N/A

CONTACT PERSON(S):

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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 checked="" type="checkbox"/> District Support
