

KENTUCKY DEPARTMENT OF EDUCATION (KDE) STAFF NOTE

Topic: Audit Update and Expense Reports for the Kentucky Board of Education (KBE) and Commissioner of Education

Date: August 2026

Action Requested: ☒Review ☐Action/Consent ☐Action/Discussion

Held In: ☒Full Board ☐State Schools ☐United We Learn

SYNOPSIS OF WHAT YOU WILL BE SHARING:

A review of the Auditor of Public Accounts (APA) audit of KDE as part of the Statewide Single Audit of Kentucky (SSWAK) and expense reports for the Commissioner's Office and the Kentucky Board of Education (KBE).

APPLICABLE STATUTE OR REGULATION:

KRS 156.010

BACKGROUND:

Existing Policy:

Annually the APA audits KDE as part of the SSWAK.

The expense reports for the KBE and Commissioner's Office are routinely reviewed by the KBE. The expense reports for July 2025 to June 2026 are attached.

Summary of Issue:

FY 2025 SSWAK

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 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 allow 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 March 23, 2026, 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. The SSWAK-Volume II was released on March 30, 2026, and the Kentucky Department of Education had no audit findings.

Audit Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
SSWAK Vol I	3	2	1	0	1	0	0	2	0	0
SSWAK Vol II	0	4	3	1	1	1	0	0	0	0

Budget Impact:

There is no budgetary impact to the KDE.

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Commissioner of Education

GOALS/PRIORITIES: Indicate all applicable options.

☐	Foster Educational Innovation Through Vibrant Learning Experiences
☐	Advance Educational Excellence Through Continuous Professional Improvement
☐	Cultivate Collaborative Partnerships
☐	Legislation
☒	Commissioner's Management