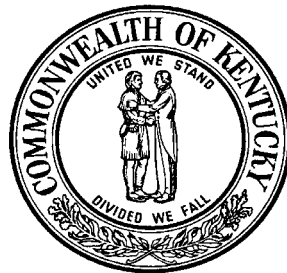


**BARREN COUNTY BOARD OF EDUCATION'S
ADMINISTRATION OF ADULT EDUCATION GRANTS
FROM THE COUNCIL ON POSTSECONDARY
EDUCATION AND KENTUCKY ADULT EDUCATION**

**For The Period
July 1, 2006 Through June 30, 2007**



**CRIT LUALLEN
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July 31, 2008

Sarah Hawker, Vice President
Kentucky Adult Education
Council on Postsecondary Education
1024 Capital Center Drive, Suite 250
Frankfort, KY 40601

Benny Lile, Director of Instruction/Technology
Barren County Board of Education
202 W. Washington Street
Glasgow, KY 42141

Re: Adult Education Grants

Dear Ms. Hawker and Mr. Lile:

This report contains the results of the performance audit of Barren County Board of Education's administration of the adult education grant for the fiscal year (FY) ending June 30, 2007. The Council on Postsecondary Education and Kentucky Adult Education contracted with us to conduct performance audits of selected local adult education providers. This report represents our findings, recommendations, and the provider's responses.

The Auditor of Public Accounts conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We greatly appreciate the courtesies and cooperation extended to our staff during the audit.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Crit Luallen".

Crit Luallen
Auditor of Public Accounts



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**BARREN COUNTY BOARD OF EDUCATION'S ADMINISTRATION OF
ADULT EDUCATION GRANTS FROM THE COUNCIL ON POSTSECONDARY
EDUCATION AND KENTUCKY ADULT EDUCATION AS OF JUNE 30, 2007**

EXECUTIVE SUMMARY

PURPOSE AND SCOPE

The Council on Postsecondary Education (CPE) and Kentucky Adult Education (KYAE) selected the Barren County Board of Education (local provider) for a limited scope performance audit of its administration of the adult education grant for Barren County. An on-site review was conducted April 24, 2008 through April 28, 2008, to address the following objectives:

- Reconcile student and faculty data electronically submitted to KYAE through the Adult Education Reporting Information Network (AERIN).
- Determine whether the local provider's professional development activities comply with the FY 06-07 professional development policies and procedures manual.
- Determine whether local providers' expenditures and costs comply with the terms of their grant agreement and reconcile to invoices submitted.
- Report internal control weaknesses identified during our audit that relate to the audit's objectives.

To accomplish these objectives, the performance audit team reviewed the Kentucky Adult Education Policy and Procedure Manual, as well as the provider's grant proposal and final agreement with KYAE. During the on-site review, the audit team reviewed the provider's accounting records (trial balance/general ledger), interviewed program administrators regarding internal controls related to the above grants, and tested samples of participant files, personnel files, and expenditure documentation for compliance with applicable requirements.

Below is the summary of findings:

FINDINGS SUMMARY

FINDING	Disallowed Costs
One participant file did not document their age.	N/A
Seven employee files did not have Individual Professional Development Plans (IPDP).	N/A
None of the instructors on staff have had Kentucky Adult Educators Literacy Institute (KAELI) training.	N/A

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RESULTS AND RECOMMENDATIONS

FINANCIAL REPORTING AND COMPLIANCE

Scope and Methodology

The KYAE-10 Expenditure Reports were compared to the line item budget approved in the final agreement modification. This comparison was used to determine whether the provider's reimbursements complied with the approved budget.

The KYAE-10 Expenditure Reports were then compared to the internally generated financial records maintained by the local provider. This comparison was used to determine whether the local provider's accounting records support the total amount requested for reimbursement on the KYAE-10 Expenditure Reports.

Findings

No exceptions were noted.

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PARTICIPANT ELIGIBILITY AND RECORD KEEPING

Scope and Methodology

A total of 60 participants were selected randomly from the electronic student data sent from KYAE and compared to the documentation maintained in the participant files. We examined the files for the following:

- Proper eligibility documentation.
- Proper assessment testing.
- Evidence to support the achievement of goals/objectives reported to KYAE.
- Proper separation from the program when applicable.
- Other requirements were tested based upon the applicable program requirements.

The participants tested received services during the period of July 1, 2006 and June 30, 2007.

Findings

Eligible students must have attained 16 years of age and individuals age 16-18 must provide official documentation of withdrawal from school. One participant's file did not document their age.

Recommendations

We recommend the provider ensure that the date of birth is recorded and documented for all participants.

Provider Response – [Management provided this response when their views and planned corrective actions were requested. The Provider was given a reasonable amount of time to adequately respond to this request.]

This was an English as a Second Language Participant. It is sometimes difficult to get them to understand what information we need. To correct the problem all staff/instructors will be advised to double check student information forms for all student data as they are completed. Also, we now have managed orientation where participants fill out the information as it is covered by a staff member.

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PAYROLL AND STAFF REQUIREMENTS

Scope and Methodology

A sample of 15 payroll disbursements was judgmentally selected for payroll testing. Personnel files were examined to verify that staff had received the required professional development training hours. Documentation of hours worked was examined for existence and approval. Personnel files were examined to verify evidence of the instructor's bachelor's degree. A determination was made as to whether the employee was included in the staff listing information reported to KYAE.

Findings

CPE and KYAE require that instructors, instructors' aides, and program directors complete an annual IPDP by October 1 of each year. An IPDP was not on file for seven applicable employees.

CPE and KYAE require that each adult education program have at least one staff person with KAELI training. None of the instructors on staff have had KAELI training.

Recommendations

To focus on planning for professional learning and growth, we recommend that an IPDP be completed and in "active" status in KYAE's professional development tracking system (PDtrack) by October 1 of the grant year. Additionally, we recommend compliance with the requirement to have at least one KAELI trained instructor on staff.

Provider Response – [Management provided this response when their views and planned corrective actions were requested. The Provider was given a reasonable amount of time to adequately respond to this request.]

- 1) Since we now have an online Professional Development system, the program did not realize that it was a requirement to keep copies of all Individual Professional Development Plans (IPDP) on file. We did however keep copies of Activity by User Reports and PD History. One instructor and one instructional assistant did not have a PD History. The instructor works off-site and the assistant only works 15 hours per week, therefore we failed to get their history. Another instructor did not have any of the records. She resigned effective early October so we did not keep records on her for the year. However, she was enrolled in KAELI. To correct, we plan to print and keep copies of all IPDPs and PD History on file for each employee.

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- 2) Our KAELI Instructor resigned in September 2005. Another instructor enrolled in KAELI for the 2006-07 fiscal year. She resigned from her position in October 2006. We have an instructor interested in KAELI, but to our knowledge it was not offered this fiscal year (2007-08). To correct, we plan to send an instructor to KAELI in the fall of 2008.

PURCHASING/EXPENDITURE COMPLIANCE

Scope and Methodology

A sample of 12 expenditures, representing 21% of the total purchases, was selected judgmentally from the detailed general ledger. These expenditures were tested for authorization/approval, supporting documentation, proper recording, and that it was an actual expense during the grant period of July 1, 2006 and June 30, 2007.

Findings

No exceptions were noted.

PROFESSIONAL DEVELOPMENT REIMBURSEMENT COMPLIANCE

Scope and Methodology

Professional Development expenditures were tested for proper authorization, supporting documentation, and adherence to approved rates and reimbursement policies. A sample of 3 expenditures, representing 22% of the total professional development expenditures, was selected judgmentally from the detailed general ledger.

Findings

No exceptions were noted.

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INTERNAL CONTROLS RELATING TO GRANT

Scope and Methodology

Barren County Board of Education's fiscal administrator was given an Internal Control Questionnaire regarding the controls in place for cash disbursements, bank reconciliation's, revenue, expenditures, and payroll. The questionnaire was completed by the fiscal administrator and reviewed for any significant control deficiencies.

Findings

No significant control deficiencies were noted.

