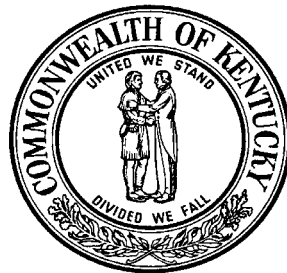


**GRANT COUNTY BOARD OF EDUCATION'S
ADMINISTRATION OF ADULT EDUCATION GRANTS
FROM THE COUNCIL ON POSTSECONDARY
EDUCATION AND KENTUCKY ADULT EDUCATION**

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



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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

Michael Hibbett, Superintendent
Grant County Board of Education
820 Arnie Risen Boulevard
Williamstown, KY 41097

Re: Adult Education Grants

Dear Ms. Hawker and Mr. Hibbett:

This report contains the results of the performance audit of Grant 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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**GRANT 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 Grant County Board of Education (local provider) for a limited scope performance audit of its administration of the adult education grant for Grant County. An on-site review was conducted May 8, 2008 through May 9, 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:

FINDING	Disallowed Costs
One Family Literacy participant file did not contain documentation showing the child's education progress.	N/A
None of the instructors on staff have had the 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 53 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

KYAE requires that Family Literacy services contain a child education component and the provider should document the child's education progress on a form that is signed by parent/guardian, teacher, medical or social work professional and maintain this form in the participant's file. One Family Literacy participant file did not contain documentation showing the child's education progress.

Recommendations

We recommend that the provider ensure all participant files contain the necessary documentation to support compliance with applicable policies and procedures. For Family Literacy participants, the children's educational progress should be documented to facilitate developmentally appropriate educational activities.

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.]

It is correct there was no form in the file for this participant. She was contacted numerous times, as is noted in her file, to pick up the form for the child's teacher to fill out. Both of the Family literacy Coordinator and Clerk were new to their positions last year and there was a misunderstanding about who could fill out the form when the parent would not respond. It was not clear to them that I have emailed my supervisor in the school system and she would get the necessary information. This form has now been completed by the child's teacher from last year and is in the file.

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***Additional note 6/26/08:** In a conversation with the Family Literacy Coordinator, after my initial response for this audit, she reminded me that at the Foundations to Family Literacy training at the beginning of the fiscal year 2006-07, August 24 & 25 of 2006, the adult education participants were informed that if they were unsuccessful, after several attempts trying to obtain proper signatures on a child's progress, that paperwork with the dates and specifics of the attempts should be notated in the individual's file. At the training it was made clear to her they need not pursue the matter further. This is exactly what was done in this case. A note was in this file stating that many attempts had been made by phone and in person to obtain the necessary paperwork on the child's progress and that there was no response by the mother to comply with the request.

As noted in my initial response - It is at this point, as the Director, I have on occasion gone to my supervisor and she has accessed the child's school records and the progress report was added to the file.

The mix up came when the Family Literacy Coordinator was given information at a state training that indicated making the proper notation in a student file after she was unsuccessful in obtaining the required information she was being compliant with the state's requirement.

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

Recommendations

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.]

It is true there was no staff member trained in KAELI last year. I hired and trained 4 new part time staff people last year. As new instructors they needed to focus on learning the process of how the Learning Center is run, and how to perform their jobs onsite. It was not possible to send people learning a new job to take a class outside the center.

Please note: I was told at an adult education meeting that if a Learning Center had a trained Reading Specialist on staff, then instructors would not need to go for KAELI training. One instructor is a Certified Teacher with a Master's in education. She also holds special certification in reading.

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PURCHASING/EXPENDITURE COMPLIANCE

Scope and Methodology

A sample of 7 expenditures, representing 22% 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 4 expenditures, representing 21% of the total professional development expenditures, was selected judgmentally from the detailed general ledger.

Findings

No exceptions were noted.

INTERNAL CONTROLS RELATING TO GRANT

Scope and Methodology

Grant County Board of Education's fiscal administrator was given an Internal Control Questionnaire regarding the controls in place for cash disbursements, bank reconciliations, 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.

