

# STATE COMMITTEE FOR SCHOOL DISTRICT AUDITS

## MINUTES OF THE SEPTEMBER 12, 2024 MEETING

**Members present:** Auditor of Public Accounts Designee, Shawna Crouse; Office of Education Accountability Designee, Sabrina Cummins; Commissioner of Education Designee, Marshall Smith

**Also in attendance:** APA Attendees: Joy Markland, Alex Evans, Jennifer Salsman; Kentucky Department of Education Attendees: Kellie Young

**Those not in attendance:** Office of the Attorney General Designee: Stacy Woodrum; Office of the Governor Designee: John Hicks.

### I. Call to Order:

A quorum being present, Shawna Crouse called the in-person meeting, now being live streamed via YouTube, to order at 9 AM. All applicable KRS Statutes were read aloud, and a roll call was performed.

### II. Approval of Minutes of the June 25, 2024 meeting:

Sabrina Cummins made a motion to approve the June 25, 2024 meeting minutes. Marshall Smith seconded this motion, and it was unanimously approved by the Committee.

### III. Old Business

Nothing to report.

### IV. New Business

#### **For FY24 Peer Reviews:**

- 1) Marshall opened with Mr. Shad Allen's CPA, PPLC-peer review, which had expired at the end of May 2024. The peer completed the review with a PASS rating. This has been submitted to the Peer Review Alliance, with KDE awaiting a response. Once accepted the Alliance will issue a new Peer Review expiration date. KDE will continue to follow up with them in order to confirm a new date.
- 2) Drane and Company, had until the end of September to complete their peer review. Their last peer review had some corrective actions found. After reaching out to check on their progress, Drane and Company had not completed their review as of this meeting date, but they still anticipate they will be finished by the end of September. KDE will continue to follow up and check on their progress.

#### **FY23 APA Desk Review Results:**

- 1) Listing of all the Desk Reviews from 2023 audit reports
  - 29** were reported as Technically Deficient which means they will need to be corrected and resubmitted.
  - 88** were reported as acceptable with deficiencies, meaning they found issues but were not severe enough for corrections.
  - 54** were acceptable, meaning no issues were found.

There was an increase in the number of Acceptable with Deficiencies and that is believed to be due to the firms having trouble getting staff.

Sabrina Cummins asked the question of what classifies deficiencies and is there a threshold of what is considered a deficiency?

Marshall stated he hasn't had a chance to have gone through each one individually, but it is on a case-by-case basis.

Shawna Crouse also noted that from an Auditors approach, it is an independent case, but can be based on controlled deficiencies, which are things that are controllable and can be fixed and should be fixed; not big enough to warrant a finding.

Sabrina suggested adding common missed errors in the audit findings section in order to help decrease common deficiencies on next year's audit. Marshall and Shawna agreed.

2) **FY23 Desk Review TD Corrections:**

Technically Deficient Audits are required to be corrected and re-issued. As of today, **Green County** is the only county that has not submitted corrections. Will continue to follow up with them on progress.

Marshall ended his updates with praise for how well the APA team has helped them understand all the audit information.

Shawna restated that the KDE has the rights to approve the outstanding peer reviews when they come in.

No new business was further discussed.

**V. Miscellaneous**

No New Business

**VI. Future Meeting Date**

The next SCSDA meetings will be October 17, 2024 – via Teams

**VII. Adjournment**

Sabrina Cummins made a motion for adjournment. Marshall Smith seconded the motion. Without objection, the meeting was adjourned.

Respectfully submitted,

Jennifer Salsman