

STATE COMMITTEE FOR SCHOOL DISTRICT AUDITS

MINUTES OF THE March 13th, 2025 MEETING

Members present: Auditor of Public Accounts Designee, Shawna Crouse; Office of Education Accountability Designee, Marshall Smith; Office of the Attorney General Designee, Stacy Woodrum

Members not present: Office of the Governor Designee, John Hicks, Commissioner of Education Designee, Sabrina Smith

Also in attendance: APA Attendees: Joy Markland, & Alex Evans; Kentucky Department of Education Attendees: Kim Carter, Kellie Young, & Jana Cox

I. Call to Order:

A quorum being present, Shawna Crouse called the virtual meeting to order at 9:00 am. All applicable KRS statutes were read aloud, and a roll call was performed.

II. Approval of Minutes of the October 17th and November 14th, 2024 Meeting:

Stacy Woodrum made a motion to approve the October 17th, 2024 meeting minutes. Marshall Smith seconded this motion, and it was unanimously approved by the Committee.

Stacy Woodrum made a motion to approve the November 14th, 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:

Marshall opened the discussion on the FY2024 Audit Consideration Report Dated March 2025, covering all highlighted yellow tabs. Under FY24 Extension Requests, Marshall remarked it had been updated to reflect all districts with an extension. Those districts with an extension conditionally approved by KDE were indicated in column G, and a copy of the extension was referenced in the provided zip file "SCSDA March 13, 2025 Audit Extension Requests.zip". A total of 21 requests were fielded for 16 districts. Some were 2nd and 3rd requestors.

Those who pushed into February for the following reasons are:

- Magoffin County: They had a new firm and both individuals performing the audit left with little notice, so the remaining members had to pick up the pieces without starting over.
- Butler and Fulton County: Last year's audit was done by ATA CPA, which is under a one-year ban. Carl Riggs & Ingram picked up these audits, making it known they would need additional time due to their stretched resources.

The remainder of the requests followed the same general trends: new staff, financial officer, family emergencies, etc. Marshall recommended that the Committee approve these requests. Shawna opened the floor for any comments or concerns. None were given. Stacy motioned to approve, Shawna seconded, and the Committee unanimously approved.

Marshall moved to the next tab, 'FY24 Submitted After Nov 15'. These audits involved no extensions. Marshall remarked that most listed in this tab were a few days past their deadline. The three outliers that made it into December were due to short-term issues that KDE determined were nothing to worry about.

With nothing further to discuss, Shawna moved to the next agenda item and then gave the floor to Marshall to discuss the Draft SCSDA Audit Requirements for FY2024-2025.

- Most updated: Dates
- Under the Auditor Alert Section: New GASB Statements
- Under State Compliance Requirements:
 - o Covering KRS and KAR: updates to align with current language. HB6 (2024) covered HB1 (2022)

Marshall transitioned to the SCSDA FY2025 Independent Auditor's Contract, which is reviewed and signed by each CPA.

- IV. Compensation subsection C was struck out.
 - o Reason: If the bid exceeds the estimate by a certain amount, the district must come to the Committee before approving. KDE struck out this because districts pay each bill out of their own funds every time. Once a bill is given to the district, they have up to 30 days to pay, which most often happens between the last fiscal year meeting of the Committee and the first fiscal year meeting of the Committee. Marshall noted the Committee can still see the bills at any time even if the Committee is not meeting, but KDE doesn't want to put districts in a position where the contract's legality keeps them from paying their bills on time.

Stacy motioned to approve the Draft SCSDA Audit Requirements for FY2024-2025, Marshall seconded, and the Committee unanimously approved. Stacy then motioned to approve the SCSDA FY2025 Independent Auditor's Contract, Marshall seconded, and the Committee unanimously approved.

V. Miscellaneous:

Shawna requested Marshall provide the background information for ATA CPA. Marshall noted they perform three to four school district audits per year. During 2023-2024, one audit exceeded the November 15th, 2024, deadline into late Spring 2025. ATA was not communicating and caused compounding issues for Fulton County staying in compliance. Fulton County pulled its audit from the Federal Clearing House and found it was different than the version they had on file. Differences included Findings, an Action Plan, and Fulton County's response. None of these were brought to the attention of Fulton County and they never wrote the response, suggesting fabrication. KDE is gravely concerned and wishes to ban ATA permanently from doing any school district audits for Kentucky.

Shawwna thanked Marshall for the background and presented the letter sent to ATA which banned them from doing school district audits for one year. She proposed utilizing the same structure of the letter and suggested changes to it which made ATA's ban to be permanent. Marshall and Stacy approved of drafting the letter and formally approving it in the March 20th, 2025 meeting.

The Committee will additionally discuss future meeting dates that fall after June 12th's meeting.

VI. Future Meeting Date:

The next SCSDA meeting will be on March 20, 2025- via Teams.

VII. Adjournment:

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

Respectfully submitted,

Michael Evans

Full Video of the YouTube Livestream for March 13, 2025:

- [State Committee for School District Audits](#)