

**MAYSVILLE COMMUNITY AND TECHNICAL COLLEGE'S  
ADMINISTRATION OF MASON COUNTY'S ADULT EDUCATION  
GRANTS FROM THE COUNCIL ON POSTSECONDARY  
EDUCATION AND KENTUCKY ADULT EDUCATION**

**For The Period  
July 1, 2003 Through June 30, 2004**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

**105 SEA HERO ROAD, SUITE 2  
FRANKFORT, KY 40601-5404  
TELEPHONE (502) 573-0050  
FACSIMILE (502) 573-0067**





CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS

July 8, 2005

Reecie Stagnolia, Associate Vice President  
Kentucky Adult Education  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 250  
Frankfort, KY 40601

Augusta Julian, President and CEO  
Maysville Community and Technical College  
1755 U.S. 68  
Maysville, KY 41056

Re: Adult Education Grants

Dear Mr. Stagnolia and Dr. Julian:

This report contains the results of the performance audit of Maysville Community and Technical College's administration of Mason County's Adult Education Grant for the fiscal year ending June 30, 2004. 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.

We conducted this performance audit in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

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

Respectfully submitted,

Crit Luallen  
Auditor of Public Accounts





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**MAYSVILLE COMMUNITY AND TECHNICAL COLLEGE'S  
ADMINISTRATION OF ADULT EDUCATION GRANTS FROM THE COUNCIL  
ON POSTSECONDARY EDUCATION AND KENTUCKY ADULT EDUCATION  
AS OF JUNE 30, 2004**

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**EXECUTIVE SUMMARY**

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**PURPOSE AND SCOPE**

The Council on Postsecondary Education and Kentucky Adult Education (KYAE) selected the Maysville Community and Technical College (local provider) for a limited scope performance audit of its administration of the Adult Education and Family Literacy Grant for Mason County. An on-site review was conducted on May 3 through May 6, 2005 to address the following objectives:

- Reconcile student and faculty data electronically submitted to Adult Education with the information retained by the local provider.
- Determine whether the local provider's professional development activities comply with applicable professional development policies and procedures.
- 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 Policy and Procedure Manual for Kentucky Adult Education, 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:

<b>FINDING</b>	<b>Disallowed Costs</b>
Four (4) Family Literacy participant files did not contain documentation to support their involvement in Parent Time and Parent and Child Time activities or evidence of follow-up actions concerning their child's education.	N/A
One (1) participant's file did not document the participant's age.	N/A
One (1) participant had no documentation to support their eligibility or assessment.	N/A
One (1) part-time instructor did not have documentation to support the required level of professional development training.	N/A
Two (2) instructors did not complete a timesheet.	N/A
Four (4) instructors did not have evidence of a bachelor's degree on file.	N/A

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**RESULTS AND RECOMMENDATIONS**

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**FINANCIAL REPORTING AND COMPLIANCE**

**Scope and Methodology**

The KAE-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 KAE-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 amounts requested for reimbursement on the KAE-10 Expenditure Reports.

**Findings**

No exceptions 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.
- Agreed the establishment and achievement of goals/objectives to the information 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, 2003 and June 30, 2004.

**Findings**

Proper file maintenance and accurate data entry is important to support and document the success of a provider in meeting eligibility requirements and goal achievement. CPE and KYAE require that providers administer the initial assessment at orientation, or within a short period thereafter, and shall use the lowest test score in a subject area to determine a learner's entry level and eligibility. Programs are to maintain assessment forms on file for three years. The following exceptions were noted:

- Four (4) Family Literacy participant files did not contain documentation to support their involvement in Parent Time and Parent and Child Time activities or evidence of follow-up actions concerning their child's education.
- One (1) participant's file did not document the participant's age.
- One (1) participant had no documentation to support their eligibility or assessment.

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**Recommendations**

We recommend the provider create a checklist for participant files to facilitate a periodic review of the contents to ensure that the required documentation is being maintained. All initial assessments and any achievement of goals/objectives should be documented and maintained. The person entering participant data should require documentation for any data entry performed on a participant and any deficiencies should be reported to the Program Director.

**Provider Response**

Students sign in and out. A worksheet with hours attended is kept for each student. In FY04 a workstudy student was keeping the sheets. We found out later that if she couldn't read the signature, she didn't do a work sheet. The instructors are now keeping up the work sheets and the total hours will be used for separating a student.

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**PAYROLL AND STAFF REQUIREMENTS**

**Scope and Methodology**

A sample of 10 payroll disbursements, representing 24% of the total payroll expenditures, was judgmentally selected for payroll testing. Personnel files were examined to verify that staff had received the required professional development training hours and had completed an Individual Professional Development Plan if applicable. Timesheets were 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 all part-time instructors to obtain six hours of professional development training. There was one (1) instructor that did not have documentation to support the required level of professional development training.

CPE and KYAE require that all KAE-funded employees maintain documentation of hours worked. During our testing, we noted that two (2) instructors did not complete a timesheet.

CPE and KYAE require that instructors hired after July, 1998 have a bachelor's degree. There were four (4) instructors that did not have evidence of bachelor degrees on file.

**Recommendations**

We recommend that instructors receive at least 6 hours of professional development training and document this information in the employee's file. Employee files should also contain the proper evidence to support compliance with KYAE's bachelor's degree requirement when applicable.

We recommend that all employees, even those working on salary, document time worked that is attributable to this grant.

**Provider Response**

KCTCS does not require a time sheet for full time salaried instructors. We have an up to date professional development file already started for FY05.

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**PURCHASING/EXPENDITURE COMPLIANCE**

**Scope and Methodology**

A sample of 5 expenditures, representing 20% 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, 2003 and June 30, 2004.

**Findings**

No exceptions noted.

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**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 2 expenditures, representing 53% of the total professional development expenditures, was selected judgmentally from the detailed general ledger.

**Findings**

No exceptions noted.

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**INTERNAL CONTROLS RELATING TO GRANT**

**Scope and Methodology**

Maysville Community and Technical College'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 noted.

