



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Christian County Fiscal Court

FRANKFORT, Ky. – State Auditor Mike Harmon has released the audit of the financial statement of the Christian County Fiscal Court for the fiscal year ended June 30, 2017. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor’s letter to communicate whether the financial statement presents fairly the receipts, disbursements, and changes in fund balances of the Christian County Fiscal Court in accordance with accounting principles generally accepted in the United States of America. The fiscal court’s financial statement did not follow this format. However, the fiscal court’s financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for 115 of 120 fiscal court audits in Kentucky.

As part of the audit process, the auditor must comment on noncompliance with laws, regulations, contracts, and grants. The auditor must also comment on material weaknesses involving internal control over financial operations and reporting.

The audit contains the following comment:

The Christian County Fiscal Court did not have adequate internal controls over credit card disbursements: This is a repeat finding and was included in the prior year audit report as Finding 2016-001. The following deficiencies were documented regarding credit card transactions:

- One of the 12 credit card statements tested was not paid in full or on time, resulting in finance charges/late fees of \$39.27.
- Two of the 21 transactions that related to meal expenditures exceeded the amount allowable for meals in accordance with the fiscal court’s policy resulting in unallowable costs of \$72.

These deficiencies over credit card disbursements occurred because of the fiscal court's lack of internal controls and oversight. By failing to maintain adequate documentation, the fiscal court is increasing the risk of paying invoices for goods and services that were not provided to the county or for items that are not allowable. Also, by not paying credit cards timely and in full each month, the fiscal court could be issued late fees and finance charges.

Good internal controls dictate that adequate supporting documentation should be maintained for all credit card transactions. All vendor invoices and receipts should be maintained, including any additional supporting documentation, and agreed to the corresponding purchase order and reports. We recommend the county develop internal control procedures to ensure that credit card transactions are properly supported.

County Judge/Executive's Response: Significant improvement has been made with regard to credit card transactions; however, as noted one County Jail credit card bill was not paid timely. We will make every effort to receive the government rate for lodging expenditures when that rate is available. With regard to the meal expenditures, it was determined that a member of the jail staff, while traveling on jail related business, expended an amount in excess of the established limits adopted by the Christian Fiscal Court on two separate occasions. As indicated in the audit, this resulted in unallowable costs totaling \$72. The County presented the foregoing findings to the individual incurring the excess costs for resolution. In response, the subject individual reimbursed the County with a personal check in the amount of \$72 for the unallowable costs.

The audit report can be found on the [auditor's website](#).

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