



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Menifee County Fiscal Court

FRANKFORT, Ky. – State Auditor Mike Harmon has released the audit of the financial statement of the Menifee County Fiscal Court for the fiscal year ended June 30, 2016. 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 Menifee 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.

In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, we have issued an unmodified opinion on the compliance requirements that are applicable to Menifee County Fiscal Court’s major federal program: Appalachian Area Development (CFDA #23.002).

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 the internal control over financial operations and reporting.

The audit contains the following comment:

The fiscal court lacks adequate controls over swimming pool revenues. This is a repeat finding that was included in the prior year report as Finding 2015-003. We found that the fiscal court does not have adequate controls over swimming pool revenues. Deposits are not made daily. There are no procedures in place to ensure the amount of revenues collected is deposited

intact. Although triplicate receipts are prepared for admissions, they are not attached to the daily check-out sheets for reconciliation. As a result, misappropriation of receipts could occur and not be detected timely.

The Uniform System of Accounts, as adopted under KRS 68.210, require deposits to be made daily. Also, internal controls should be in place to determine that all swimming pool revenues are deposited and that receipts are issued and reconciled to the daily check-out sheets. We recommend the fiscal court improve controls over swimming pool revenues and ensure that deposits are made daily.

County Judge/Executive's response: Process will be put in place to reconcile all revenue collected from pool admissions and concessions on a daily basis.

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

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