



Auditor of Public Accounts
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County Ethics Codes a Variety of Requirements and Enforcement; One-Fourth of Counties Have No Appointed Members of Local Ethics Boards

Latest Data Bulletin from Auditor Mike Harmon's office reviews county ethics in Kentucky

FRANKFORT, Ky. (October 14, 2020) – On the heels of Operation Boprot, members of the Kentucky General Assembly passed House Bill 238 during the 1994 regular session. HB 238 directed local governments to establish and enforce local ethics codes for elected officials. More than 25 years after its passage, Auditor Mike Harmon's office is releasing a data bulletin on the status of local ethics codes and enforcement by Kentucky's 120 counties.

"Over the past five years, our office has made seven referrals from audits and examinations to various local ethics boards. To our surprise, we found several of those boards were inactive and appointments to these boards had expired," said Auditor Harmon. "I have often said the role of our office is to make sure government is efficient, effective, and ethical. Based on that philosophy and the need for greater transparency and accountability, we decided to take a deeper look at the status of local ethics codes and the boards that are tasked with enforcing them."

Auditors contacted various officials in all 120 counties, asking questions regarding their respective ethics codes and the board and/or commission that insures they are followed. All but one county responded with information. Our report confirmed that each of the 120 counties in the Commonwealth has adopted a code of ethics, and 52 counties have made no revisions or updates to their ethics code since initially adopting a code in late 1994 or early 1995.

Kentucky law, in KRS 65.003, requires four subjects to be addressed in an ethics code: standards of conduct, annual financial disclosure reporting, nepotism, and designation of a person or group responsible for enforcement of the code.

“Our auditors’ research identified several counties that fail to have all the required components in their ethics codes, and the requirements were addressed in a wide variety of ways among different counties. For example, some counties may have strong anti-nepotism policies, while four counties have no ethics code provision on nepotism at all, which is clearly not compliant with state law,” Auditor Harmon said.

Nepotism, or even the perception of it, can have an adverse effect both within and outside the workplace. Most counties have an ethics code provision that defines immediate family and identifies specific relationships that are allowed or prohibited between new hires and officials or employees. Some counties though exclude spouses or children living outside the home from their definition of family members.

In two counties, the nepotism section of their codes consists of a single sentence stating, “The employment of members of families of officials or employees of the county will be allowed.” Although this meets the statutory requirement to address nepotism, it does not seem to be in the spirit of the ethics law.

When it comes to annual financial disclosure for local candidates, ethics codes for 10 counties don’t require it, and three county ethics codes do not address the financial disclosure requirement at all. Another 26 counties disclosed that financial statements aren’t filed annually despite their local ethics codes requiring it.

In addition to requiring the creation of county ethics codes, the law created by HB 238 directed that a local board or commission be formed with the task of making sure elected officials adhere to those codes. But Auditor Harmon’s office found as of August 11, 2020, 35 counties have no one appointed to their boards and eight additional counties appointed members after auditors began asking questions. Some boards have never even met due to a history of not receiving complaints.

“Although state law doesn’t require local ethics boards to meet regularly, a good practice would be meeting at least once a year to review financial disclosure statements that must be filed annually,” said Auditor Harmon. “Having a good ethics code and ethics board are crucial to ensuring the public’s trust in government, so all local governments need to ensure they have an ethics code that meets the legal requirements and a functioning ethics board to uphold that code.”

The entire data bulletin, “An Examination of County Ethics Codes and Enforcement Entities,” is available for review on the [auditor’s website](#).

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