



Auditor of Public Accounts
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Harmon Releases Audit of Trimble County Fiscal Court

FRANKFORT, Ky. – State Auditor Mike Harmon has released the audit of the financial statement of the Trimble County Fiscal Court for the fiscal year ended June 30, 2022. 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 Trimble 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 116 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 finding:

The Trimble County Fiscal Court did not follow competitive bidding requirements: At the October 21, 2021 Trimble County Fiscal Court meeting, the court agreed to contribute \$39,950 of American Rescue Plan Act (ARPA) funds toward a new generator for Trimble County Water District #1. The meeting minutes stated that the water district advertised and received sealed bids. The former county judge/executive asked the county attorney if the county needed to also obtain bids and the county attorney advised that the county should obtain their own bids if they would be purchasing the generator. The fiscal court proceeded with the generator purchase without obtaining bids. This was deemed an isolated instance since all other items tested required bidding were properly bid.

The fiscal court felt that the bid obtained by the water district would be sufficient.

As a result, the fiscal court was not in compliance with procurement laws and the county administrative code. In addition, competitive bidding ensures that the county procures materials and services at the best price available. By limiting competition, the county may not get this benefit.

KRS 424.260(1) states, in part, “[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for: (a) materials; (b) supplies except perishable foods such as meat, poultry, fish, egg products, fresh vegetables and fresh fruits; (c) equipment; or (d) for contractual services other than professional; involving an expenditure of more than thirty thousand dollars (\$30,000) without first making newspaper advertisement for bids.” The fiscal court’s administrative code sets the bid threshold at \$20,000.

Recipients of federal funds are expected to have procurement policies and procedures in place that comply with the procurement standards outlined in Uniform Guidance. These standards are listed in 2 CFR section 200.318 through 200.327. These standards require federal grant expenditures be handled consistently with policy and procedures that apply uniformly to both federally financed and other activities.

We recommend the fiscal court follow bidding procedures as required by KRS 424.260 and the county administrative code. We also recommend the county follow procurement policies and procedures outlined in Uniform Guidance 2 CFR section 200.318 through 200.327.

County Judge/Executive’s Response: The county judge plans to amend the administrative code in upcoming fiscal court meeting in March 2023, which will in turn adopt a specific competitive bidding requirement.

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

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