



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, 2018. 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 as finding 2017-001. The following deficiencies were documented regarding credit card transactions:

- Four lodging transactions were tested. All four transactions included local tax when the fiscal court should be consistently receiving a government rate.
- Five of the 20 transactions that related to meal expenditures exceeded the amount allowable for meals in accordance with fiscal court policy resulting in unallowable costs of \$77.71.

These deficiencies over credit card disbursements occurred because of the fiscal court's lack of internal controls and oversight. The fiscal court's travel policy should be followed regarding meal allowances and lodging expenses. By failing to maintain adequate oversight, the fiscal court is increasing the risk of over paying for meals and lodging for employees who travel. We recommend the fiscal court further develop internal control procedures to ensure that payments for meals and lodging are within limits set forth in the fiscal court's travel policy.

County Judge/Executive's Response: Significant improvement has been made regarding credit card transactions; however, as noted payments for five meals exceeded the limits set forth by the fiscal court's travel policy. Members of the jail staff, while traveling on jail related business, expended amounts in excess of the established limits adopted by the fiscal court on five separate occasions. As indicated in the audit, this resulted in unallowable costs totaling \$77.71. 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 \$77.71 for the unallowable costs.

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

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