



Auditor of Public Accounts
Mike Harmon

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Auditor Harmon Announces His Office Will Audit the Bourbon County-Nicholas County Regional Jail Authority

Data bulletin on regional jails conducted by Auditor's office found the regional jail has never been audited

FRANKFORT, Ky. (May 22, 2019) – Kentucky State Auditor Mike Harmon announced today his office will audit the Bourbon County-Nicholas County Regional Jail Authority. Auditor Harmon's announcement comes as his office released their latest data bulletin on the establishment and oversight of regional multi-county jails in Kentucky.

"We discovered the Bourbon-Nicholas Regional Jail has never had an audit since it was formed nearly a decade ago," Auditor Harmon said in his report. "This is simply not acceptable given the millions of dollars in taxpayer funding the Bourbon-Nicholas Regional Jail Authority receives. In the spirit of accountability and transparency, my office has decided to do an audit of the Bourbon-Nicholas Regional Jail Authority covering fiscal years 2015 through 2018."

A 1984 law allows two or more counties to establish a regional jail through ordinances. Since 1984, four multi-county regional jails have been established under KRS 441.800 in Kentucky:

1. Big Sandy Regional Detention Center (Johnson, Lawrence, Magoffin and Martin counties), which opened in 1986.
2. Three Rivers Regional Jail (Lee, Owsley and Wolfe counties), which opened in 2001.
3. Kentucky River Regional Jail (Knott and Perry counties), which opened in 2005.
4. Bourbon County-Nicholas County Regional Jail Authority, which began operating in 2010.

Unlike county jails, which are run by an elected jailer and fiscal court, each regional jail is run by a regional jail authority. While county jails are audited annually in conjunction with the audit of their fiscal court, it is up to these authorities to obtain audits of the regional jails. All four of the

regional jails are considered special purpose governmental entities (SPGEs), and because they have annual revenues above \$500,000, they are required to have annual audits under KRS 65A.030.

Auditor Harmon's data bulletin sought to make financial information about these unique entities more accessible to the public, and in the process discovered that two of the four regional jails in Kentucky have either not had an audit or not had a recent audit. In addition to the Bourbon-Nicholas Regional Jail, auditors found the Kentucky River Regional Jail hasn't been audited since Fiscal Year 2015.

The Kentucky River Regional Jail is currently undergoing audits for Fiscal Years 2016 and 2017 by an outside CPA firm. Auditor Harmon says his auditors will review those audits before deciding whether his office will conduct the jail's Fiscal Year 2018 audit.

"Our data bulletin couldn't provide reliable financial information for two of the four regional jails because they have not completed audits as required by law," Auditor Harmon said. "It is important to ensure that regional jails, and all SPGEs, are operating in a way that is transparent and fiscally responsible. Conducting these audits ourselves is one way to ensure the taxpayers' interests are protected."

The full data bulletin can be found on the [auditor's website](#).

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