



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Webster County Fiscal Court**

**FRANKFORT, Ky.** – State Auditor Mike Harmon has released the audit of the financial statement of the Webster 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 Webster 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 the internal control over financial operations and reporting.

The audit contains the following comment:

**The fiscal court did not advertise for bids in accordance with KRS 424.260.** This is a repeat finding and was included in the prior year audit report as finding 2015-003. The fiscal court failed to advertise for bids on two roll off trucks and one patcher truck. The fiscal court buys and sells two roll off trucks each year from a vendor. The fiscal court originally received the two roll off trucks every year through the Kentucky Association of Counties Leasing Program (KaCOLT). The fiscal court decided to purchase and resell the roll off trucks each year, instead of leasing.

By failing to bid certain assets purchased during the fiscal year, the county is not in compliance with state laws and regulations.

KRS 424.260(1) states “[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 materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000), without first making newspaper advertisement for bids.”

We recommend all purchases where a single purchase from a vendor is paid greater than \$20,000 be bid in accordance with KRS 424.260(1) and that documentation of the bid process be maintained.

*County Judge/Executive’s response: The Court will abide by KRS 424.260 when buying equipment.*

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

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