



Auditor of Public Accounts
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Edelen Releases Audit of Campbell County Fiscal Court

FRANKFORT, Ky. – State Auditor Adam Edelen has released the audit of the financial statements of the Campbell County Fiscal Court for the fiscal year ended June 30, 2014. State law requires annual audits of county fiscal courts.

Recent changes in auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the receipts, disbursements and changes in cash and cash equivalents of the Campbell County Fiscal Court in accordance with generally accepted accounting principles in the United States. The report found that the financial statement of the Fiscal Court 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 non-compliance 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 County Judge/Executive, the former Jailer, and the current Jailer were not paid in accordance with the maximum salary authorization set for CY 2013. The County Judge Executive, the former Jailer, and the current Jailer were overpaid during calendar year 2013. Controls were not in place to ensure that officials were paid appropriately.

- The maximum salary set by the Kentucky Department for Local Government (DLG) for the County Judge Executive for calendar year 2013 was \$104,034. During calendar year 2013, he was compensated \$104,102, resulting in a salary overpayment of \$68.

- The maximum salary set by DLG for the former Jailer who retired after January 2013 was \$104,034; therefore, he was entitled to \$8,670 (1/12th of the annual salary maximum). During calendar year 2013, he was compensated \$13,536 plus an additional \$550 for car allowance (which is prohibited per KRS 64.710), resulting in a total overpayment of \$5,416.
- The maximum salary set by DLG for the current Jailer who was sworn in February 2013 was \$92,475; therefore, he was entitled to \$84,768 (11/12th of the annual salary maximum). During calendar year 2013, he was compensated \$80,351 plus an additional \$6,050 for car allowance (which is prohibited per KRS 64.710), resulting in a total overpayment of \$1,633.

Failure to implement controls over payroll could result in amounts due to or due from officials or employees. When brought to the attention of management, all amounts due to the Fiscal Court for overpayment of salaries were requested from and paid by the officials. We recommend the County establish and implement controls to ensure that officials are paid in accordance with the maximum salary authorization schedule set by the Kentucky Department for Local Government.

County Judge/Executive Steve Pendery's response: Campbell County agrees with the finding and all amounts were repaid upon notification of the miscalculation. Campbell County has implemented controls to help ensure elected officials are paid in accordance with the salary authorization schedule set by the Kentucky Department for Local Government.

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

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