



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Campbell County Fiscal Court

FRANKFORT, Ky. – State Auditor Mike Harmon has released the audit of the financial statements of the Campbell County Fiscal Court for the fiscal year ended June 30, 2015. 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 cash and cash equivalents of the Campbell 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 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 comments:

The jailer was not paid in accordance with the maximum salary authorization set for calendar year 2014.

Condition: The county jailer was overpaid during calendar year 2014. During calendar year 2014, he was compensated \$97,775 plus an additional \$6,600 for car allowance (which is prohibited per KRS 64.710), resulting in a total overpayment of \$6,600.

Criteria: The maximum salary set by the Kentucky Department for Local Government for the county jailer was \$97,775. KRS 64.710 prohibits providing a car allowance to the jailer.

Cause: Controls were not in place to ensure that officials were paid appropriately, in accordance with applicable laws and regulations.

Effect: The jailer was paid \$6,600 for car allowance (which is prohibited per KRS 64.710), resulting in a total overpayment of \$6,600.

Recommendation: 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.

Management response: Campbell County agrees with the finding and will ensure the overpayment will be recouped from the Jailer. The 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.

Federal Program: CFDA 14.871 Housing Choice Voucher Program

Award Number and Year: KY136 2015

Name of Federal Agency and Pass-Through Agency: U.S. Dept of Housing and Urban Development direct award

Compliance Requirements: Reporting

Type of Finding: Compliance

Amount of Questioned Costs: \$0

CFDA 14.871 Section 8 Housing Choice Vouchers Program did not submit financial information timely.

Condition: Campbell County Fiscal Court's Housing Department Housing Choice Voucher Program (the program) did not submit its unaudited financial information for the fiscal year ended June 30, 2014 until September 2015. The Program's audited submission is currently in draft status.

Criteria: 24 CFR 5.801, *Uniform Financial Reporting Standards*, requires unaudited financial statements to be submitted 60 days after the fiscal year end and audited financial statements to be submitted no later than 9 months after the fiscal year end.

Cause: The program lacked formal procedures to ensure reporting deadlines were met.

Effect: The program was not in compliance with reporting requirements.

Recommendation: We recommend the program implement formal procedures to ensure compliance with reporting requirements of federal awards.

Management response: Management concurs.

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

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