



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: **Michael Goins**
Michael.Goins@ky.gov
502.564.5841
502.209.2867

**Auditor Harmon Releases Second Volume of Annual Single
Statewide Audit of Commonwealth of Kentucky**

Audit identified two material weaknesses, 16 significant deficiencies

FRANKFORT, Ky. (March 29, 2016) – Today, Auditor Mike Harmon released the second volume of the annual Single Statewide Audit of the Commonwealth of Kentucky (SSWAK) for the Fiscal Year ending June 30, 2015. Volume two focuses on compliance with federal requirements for federal awards.

During Fiscal Year 2015, Kentucky spent more than \$12.2 billion in cash and noncash awards received from the federal government, which represents an increase of \$2.24 billion in federal funds compared to Fiscal Year 2014.

“Given the amount of federal dollars that flow through our state agencies to administer various programs and grants, it is essential the rules and regulations are followed,” said Auditor Harmon. “There were 18 findings in this year’s report, but it is our directive that state agencies must continue to strive toward full compliance on spending federal money.”

Among the 18 findings in the report, two material weaknesses were identified, including one contained in both volumes one and two of the FY2015 SSWAK for the Department for Workforce Investment (DWI) regarding the disallowed transfer of \$20 million in restricted funds to the Federal Unemployment Insurance Trust Fund.

The other material weakness in DWI dealt with the agency’s failure to monitor Workforce Investment Act (WIA) subrecipient programs for formula grants in accordance with federal guidelines.

The other 16 findings related to significant deficiencies within four state agencies. Among those findings were the following:

- The Cabinet for Health and Family Services (CHFS) did not maintain adequate security over the use of Electronic Benefit Transfer (EBT) cards for the Supplemental Nutrition Assistance Program, also known as SNAP.
- The Department for Workforce Investment (DWI) failed to ensure those receiving Unemployment Insurance (UI) were registered for employment services before receiving their UI benefits.
- The Kentucky Transportation Cabinet (KYTC) did not comply with wage rate requirements under the Davis-Bacon Act on construction projects greater than \$2,000.

The report, along with the responses to the findings from the various state agencies, can be found on the Auditor's website at www.auditor.ky.gov.

-30-



www.auditor.ky.gov

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.