

43.070 Audit of accounts of county officers and special purpose governmental entities.

- (1) (a) To determine whether any unauthorized, illegal, irregular, or unsafe handling or expenditure of revenue or other improper practice of financial administration has occurred and to assure that all proper items have been duly charged, taxed, and reported, the Auditor shall audit annually:
 1. The funds contained in each county's budget; and
 2. The books, accounts, and papers of all county clerks and sheriffs.
- (b) The Auditor shall not conduct an audit pursuant to this subsection if the fiscal court or the elected official notifies the Auditor that a certified public accountant has been employed to audit the books, accounts, and papers of the county or the fee office, in accordance with KRS 64.810.
- (2) The Auditor may audit:
 - (a) The books, accounts and papers of all county judges/executive, county attorneys, coroners and constables; and
 - (b) The books, accounts, papers, and performance of all special purpose governmental entities as defined in KRS 65A.010. The expense of any audit or examination performed pursuant to this paragraph shall be borne by the entity audited or examined.
- (3) The county shall bear one-half (1/2) of the actual expense of the audit conducted pursuant to subsection (1)(a)1. of this section and shall bear the total actual expense of the audit conducted pursuant to subsections (1)(a)2. and (2)(a) of this section. No county shall be required to bear the expense for more than one (1) audit of the same fund or office annually pursuant to subsection (1)(a)1. or 2. of this section except as provided in KRS 64.810(4).
- (4) Within a reasonable time after the completion and distribution of the audit reports authorized by subsection (1) of this section, the Auditor of Public Accounts shall bill the county for the expenses incurred pursuant to subsection (3) of this section. A copy of this bill shall be forwarded to the secretary of the Finance and Administration Cabinet. Should the fiscal court within sixty (60) days following receipt of said bill determine the charge to be excessive or otherwise improper it shall submit its objection to the secretary of the Finance and Administration Cabinet and to the State Treasurer for resolution of the controversy in accordance with subsection (5) of this section. If the amount billed has not been paid within sixty (60) days from date of billing, and no objection has been filed, the Auditor shall notify the secretary of the Finance and Administration Cabinet and the secretary of revenue who shall cause said amount to be deducted from the next payment or return of moneys provided by KRS 47.110 by the state to the county or counties. Deductions shall continue until the total amount due the Auditor's office has been paid. All moneys received pursuant to this section shall be credited to the trust and agency account of the Auditor of Public Accounts. When an objection to the bill has been filed with the secretary of the Finance and Administration Cabinet and the State Treasurer in accordance with subsection (5) of this section the amount found

to be equitable and just shall become payable immediately upon the entry of the final decision.

- (5) Any controversy over the amount of the bill for the actual expenses incurred shall be submitted by the fiscal court to the secretary of the Finance and Administration Cabinet and the State Treasurer for a decision as to the proper amount. In the event that these two (2) arbitrators fail to agree, then the controversy shall be submitted to the Attorney General, whose decision shall be final.

Effective: March 21, 2013

History: Amended 2013 Ky. Acts ch. 40, sec. 18, effective March 21, 2013. -- Amended 1986 Ky. Acts ch. 51, sec. 1, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 111, sec. 37, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 121, sec. 1, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 197, sec. 11, effective June 17, 1978. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 14, sec. 12, effective January 2, 1978; and ch. 20, sec. 6, effective January 2, 1978. -- Amended 1976 Ky. Acts ch. 229, sec. 1. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(1); and ch. 254, sec. 8. -- Amended 1962 Ky. Acts ch. 185, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4636-1.