



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

July 29, 2022

Sen. Chris McDaniel, Co-Chairman
Rep. Jason Petrie, Co-Chairman
Interim Joint Committee on Appropriations & Revenue

Dear Co-Chairs and Members:

This report is provided in accordance with House Bill 1 of the 2022 Regular Session, which stated in relevant part: “The Auditor of Public Accounts shall provide a listing of fee receipts for all audits and special examinations, itemized by type, agency, or unit of government, as well as billing methodology to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year.”

The charts on the following pages provide a listing by audit type for all audit revenues received by Auditor of Public Accounts (APA) during the Fiscal Year ending on June 30, 2022 (FY 2022). It is important to note that billing for audit services is the only source of restricted funds for the APA. Unlike many other agencies, my office does not receive federal funds or have other restricted fund revenue streams. The billing methodology is described in more detail on page 5 of this report.

Please do not hesitate to contact my office should you have questions or require additional information regarding audit revenues or any other matters.

Thanks and God Bless,

Mike Harmon
Auditor of Public Accounts

**Auditor Of Public Accounts
Financial Audit Receipts
County Audits
Fiscal Year 2022**

REVENUE CODE	DESCRIPTION	AGENCY RECEIPTS SUMMARY FY 2022	AUDIT COUNTS FOR COUNTY TYPES
R408	Agreed-Upon Procedures - Property Valuation Administrators	\$ 59,134.81	33
R451	Auditing Fiscal Courts	1,762,348.39	66
R451	CPA Reviews - Fiscal Courts	75,892.43	60
R451	Auditing Special Purpose Governmental Entities (SPGEs)*	133,575.19	6
R452	Auditing Sheriffs Tax Settlements	1,326,621.14	133
R453	Auditing Fee Officials - County Clerks	1,046,880.73	91
R453	Auditing Fee Officials - Sheriffs	899,517.43	79
R453	Agreed-Upon Procedures - County Clerks	96,193.11	30
R453	Agreed-Upon Procedures - Sheriffs	131,271.22	40
TOTAL AGENCY RECEIPTS:		\$ 5,531,434.45	538

* - Includes Area Development District and Regional Jail audits.

County Hourly Rate - \$65.00

**Auditor Of Public Accounts
Financial Audit Receipts
Special Exams And State Audits
Fiscal Year 2022**

REVENUE CODE	DESCRIPTION	AGENCY RECEIPTS SUMMARY FY 2022	AUDIT COUNTS FOR SPECIAL EXAMS AND STATE TYPES
R404	Special Exams		
	Office Of The Breathitt County Attorney	\$ 5,000.00	1
	Campbellsville Water And Sewer District	5,733.00	1
	Rockcastle County Schools	2,163.00	1
	City of Bromley	7,077.00	1
	City of London	23,835.00	1
	London Tourism And Convention Commission	23,835.00	1
R438	Auditing State Agencies		
	Kentucky Law Enforcement Memorial Foundation	7,891.04	1
	Area Development Districts - CPA Reviews	5,229.00	13
	Kentucky Department Of Education - Procurement Reviews	109,893.00	1
	Kentucky Department Of Education - Desk Reviews - School And Community Nutrition	38,136.00	1
	Kentucky Department Of Education - Desk Reviews - School District Support	183,540.00	1
	Kentucky Department Of Fish & Wildlife Resources - Fish & Game Fund	61,971.00	2
	Kentucky Adult Education Agreed-Upon Procedures	124,072.57	29
	Cabinet For Health And Family Services - Tobacco Settlement	8,700.00	2
	Council For Post Secondary Education - Tobacco Settlement	4,500.00	1
	Energy And Environment Cabinet - Tobacco Settlement	2,751.00	1
	Governor's Office Of Agricultural Policy - Tobacco Settlement	3,864.00	1
	Governor's Office Of Early Childhood Development - Tobacco Settlement	4,500.00	1
	Justice And Public Safety Cabinet - Tobacco Settlement	3,108.00	1
	Administrative Office Of The Courts - Circuit Court Clerks	57,598.76	5
	Finance And Administrative Cabinet - Lease Law Compliance Attestation	19,005.00	1
	Kentucky 911 Services Board PSAP Agreed-Upon Procedures	82,173.00	47
	Kentucky 911 Services Board Providers Agreed-Upon Procedures	37,779.00	23
	Educational Cooperatives - CPA Reviews	2,268.00	6
	Kentucky Department Of Veterans' Affairs	19,887.00	2
	Kentucky Heritage Land Conservation Fund	7,540.00	1
	Kentucky Lottery Corporation	65,829.00	1
	Cabinet For Health And Family Services - Breast Cancer Trust Fund	11,340.00	1
	Kentucky Artisan Center At Berea	27,677.72	1
	Judicial Form Retirement System	46,200.00	1
	Kentucky Employees Health Insurance Plan	82,908.00	1
	Kentucky River Authority	25,284.00	1
	Kentucky Department Of Parks	54,264.00	1
	Eastern Kentucky Exposition Center Corporation	1,680.00	1
	Northern Kentucky Convention Center Corporation	24,250.56	1
	Kentucky Horse Park	56,576.00	1
	Cabinet For Health And Family Services - Health Benefit Exchange	47,649.00	1
	Kentucky Transportation Cabinet - Motor Vehicle Registration	434,588.16	1
	Kentucky Board Of Nursing	16,585.84	1
	Kentucky Transportation Cabinet - Statewide Single Audit Volume I & II	206,724.00	1

Auditor Of Public Accounts
Financial Audit Receipts
Special Exams And State Audits
Fiscal Year 2022

REVENUE CODE	DESCRIPTION	AGENCY RECEIPTS SUMMARY FY 2022	AUDIT COUNTS FOR SPECIAL EXAMS AND STATE TYPES
R438	Auditing State Agencies		
	Kentucky Department Of Education - Statewide Single Audit Volume I & II	\$ 125,157.91	1
	Kentucky Education And Workforce Development Cabinet - Statewide Single Audit Volume I & II	383,607.00	1
	Cabinet For Health And Family Services - Statewide Single Audit Volume I & II	612,939.04	1
	TOTAL AGENCY RECEIPTS:	\$ 3,075,309.60	163

Special Exams And State Hourly Rate - \$84.00

Billing Methodology

As directed by law, the Auditor of Public Accounts (APA) bills the governmental entity that is the subject of an audit or special examination for the cost of the services required to perform the audit or special examination. APA effectuates this directive by charging an hourly rate for services, as well as billing for auditor travel and other costs associated with the audit or examination. The most common costs, other than travel, are fees relating to a service used to obtain bank confirmations. APA hourly rates are reviewed at least annually and established to generate sufficient revenue to cover the essential costs of agency operations that are not funded by General Fund appropriations.

Pursuant to KRS 43.050(5), “Except where otherwise provided, any expenses incurred by the Auditor for audits, examinations, investigations, or reviews shall be charged to the entity that is the subject of the audit, examination, investigation, or review. The Auditor shall maintain a record of all time expenses for each audit, examination, investigation, or review.” While KRS 43.050 provides a generalized billing directive, there are other statutes that may be applicable to specific audit types. For example, KRS 43.070 provides that annual audits of the budgeted funds of fiscal courts are to be billed at one-half cost, which is implemented by billing those services at 50% of the normal rate. The legislature may also exempt certain audits from billing. For example, in House Bill 8 of the 2022 Regular Session, the legislature continued a longstanding practice of specifying that APA “receives General Fund appropriations for audits of the statewide systems of personnel and payroll, cash and investments, revenue collection, and the state accounting system,” so those corresponding audits are not billed to the audited agencies.