

GENERAL GOVERNMENT CABINET

Auditor of Public Accounts

(Amended at ARRS Committee)

45 KAR 1:040. Audits of county fee officials.

RELATES TO: KRS 43.070, 43.075, 64.530, 64.810, 68.210

STATUTORY AUTHORITY: KRS 43.075

NECESSITY, FUNCTION, AND CONFORMITY: KRS 43.075 requires the Auditor of Public Accounts to promulgate administrative regulations developing uniform standards and procedures for conducting, and uniform formats for reporting, audits of counties and elected county officials. This administrative regulation establishes the auditing standards, procedures, and formats for county fee officials' audits.

Section 1. Definition. "Generally accepted government auditing standards" means the Government Auditing Standards issued by the Comptroller General of the United States.

Section 2. Auditing Standards, Procedures, and Formats. The financial and compliance audit of the funds administered by each county fee official shall be conducted and reported in accordance with:

- (1) Generally accepted auditing standards, referenced in 201 KAR 1:290;
- (2) Generally accepted government auditing standards, referenced in 201 KAR 1:290; and
- (3) The "Audit Program for County Fee Officials," issued by the Auditor of Public Accounts, February 13, 2023.

Section 3. Auditor's Independent Judgment. The requirements of this administrative regulation shall not be interpreted in a manner that restricts the independent judgment of a certified public accountant or the Auditor of Public Accounts.

Section 4. Audit Objective.

- (1) The primary objective of an audit of a fee official shall be an audit report that provides an opinion on whether the financial statements of the fee official present fairly, in all material respects, the receipts, disbursements, and excess fees.
- (2) An auditor shall make tests sufficient to determine whether:
 - (a) The fee official has complied with the requirements of the uniform system of accounts adopted under KRS 64.530 and 68.210;
 - (b) Receipts have been accurately recorded by source;
 - (c) Expenditures have been accurately recorded by payee; and
 - (d) The fee official has complied with all other legal requirements relating to the management of public funds by his or her office.

Section 5. Allowance of Audit Fees; Acceptance of Report.

- (1) Fees for county fee officials' audits shall be allowable as reasonable and necessary expenses of a county or county fee official if the independent accountant's audit has been performed and reported in compliance with the standards, procedures, and formats promulgated by this administrative regulation.
- (2) A fee official shall obtain written approval of an audit report from the Auditor of Public Accounts prior to the:
 - (a) Release of an audit report; and
 - (b) Payment of fees for a fee official's audit.
- (3) Failure by an independent certified public accountant to comply with the Audit Program for County Fee Officials and this administrative regulation, shall disqualify him from conducting fee officials' audits.

Section 6. Incorporation by Reference.

(1) The "Audit Program for County Fee Officials," Auditor of Public Accounts, February 13, 2023 is incorporated by reference.

(2) This document may be inspected, copied, or obtained, subject to applicable copyright law, at the office of the Auditor of Public Accounts, 209 Saint Clair Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 5:00 p.m. or online at <https://www.auditor.ky.gov/cpatools/Pages/adminregs.aspx>.

(18 Ky.R. 1693; 2196; eff. 1-10-1992; 22 Ky.R. 1327; eff. 3-7-1996; 31 Ky.R. 787; 1050; eff. 1-4-2005; 33 Ky.R. 1423; 2-2-2007; 44 Ky.R. 260; eff. 11-3-2017; 49 Ky.R. 1958; 50 Ky.R. 19; eff. 10-3-2023.)

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CONTACT PERSON: Graham Gray, General Counsel, Auditor of Public Accounts, 209 St. Clair Street, Frankfort, Kentucky 40601; phone 502-209-2870; fax 502-564-2912; e-mail Graham.Gray@ky.gov.