

43.050 General functions of Auditor.

- (1) The Auditor constitutes an agency independent of the administrative departments enumerated in KRS 12.020, it being the policy of the General Assembly to provide for the independent auditing of the accounts, financial transactions, and performance of all spending agencies of the state through a disinterested auditor, who is entirely independent of the state administration whose affairs he is called upon to audit.
- (2) The Auditor may:
 - (a) Audit annually, and at such other times as may be deemed expedient, the accounts of all state agencies, all private and semiprivate agencies receiving state aid or having responsibility for the handling of any state funds, the accounts, records, and transactions of the budget units, and the general accounts of the state;
 - (b) Make a complete audit and verification of all moneys handled for the account of the state government by local officials charged with the collection of fees or other money for or on behalf of the state, when an audit is demanded in writing by the Legislative Research Commission, the secretary of the Finance and Administration Cabinet, or the Governor, and may make an audit when it is not so demanded;
 - (c) Examine periodically the performance, management, conduct, and condition of all asylums, prisons, institutions for the intellectually disabled, and eleemosynary institutions; public works owned, operated, or partly owned by the state, or in the conduct or management of which the state has any financial interest or legal power; and state agencies. The examinations shall give special attention to the faithful and economical application of any money appropriated by the state to the institution, public works, or state agency examined, or of any money in which the state has an interest;
 - (d) Examine annually the management and condition of the offices of the Finance and Administration Cabinet, the State Treasurer, and the chief state school officer, to determine whether the laws regulating their duties are being fully complied with, and all money received by them for the state fully accounted for;
 - (e) Examine, at least biennially, the Finance and Administration Cabinet's compliance with this section and KRS 48.111 and 56.800 to 56.823. Within sixty (60) days of the completion of each examination, the Auditor shall report his findings and recommendations to the Capital Projects and Bond Oversight Committee;
 - (f) Audit periodically all state revenue collections, and, if he finds that collections are not being satisfactorily made, report that fact to the authority whose duty it is to make the collections;
 - (g) Make special audits and investigations when required by the Governor;
 - (h) Investigate the means of accounting for, controlling, and insuring the safe custody of all property of the state, and verify the existence and condition of such property charged to, or held in the custody of any state agency;

- (i) Audit the statements of financial condition and operations of the state government, and certify in writing the results of the audit and examination with the comments he deems necessary for the information of the General Assembly;
 - (j) Report immediately in writing to the Governor, the Legislative Research Commission, and the secretary of the Finance and Administration Cabinet, any unauthorized, illegal, irregular, or unsafe handling or expenditure of state funds, or other improper practice of financial administration, or evidence that any such handling, expenditure, or practice is contemplated, and any obstruction of the Auditor or his agents during the conduct of any audit or investigation of a state agency; and
 - (k) Assist the Legislative Research Commission at hearings and investigations conducted by it and cooperate with the Legislative Research Commission in the preparation of its reports to the General Assembly.
- (3) The Auditor may investigate and examine into the conduct of all state and county officers who are authorized to receive, collect, or disburse any money for the state, or who manage or control any property belonging to the state or in which the state is interested, or who make estimates or records that are used as a basis by any state agency in the disbursement of public funds.
- (4) The Auditor may conduct a special audit or examination of a city government or any of its agencies or departments.
- (5) The Auditor may receive appropriations from the general fund for audits of the statewide systems of personnel and payroll, cash and investments, revenue collection, and the state accounting system. Except where otherwise provided, any expenses incurred by the Auditor for any other audit, examination, investigation, or review, including a required audit of federal funds, 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.
- (6) The Auditor may provide consulting services, in accordance with auditing standards generally accepted in the United States and government auditing standards, to state or local government entities and associations of such entities, including special purpose governmental entities, and may charge a mutually agreed upon rate for those services, including:
 - (a) Providing training and technical presentations;
 - (b) Developing audit guides applicable to those entities;
 - (c) Developing question and answer documents to promote understanding of technical issues or standards; and
 - (d) Collaborating with other professional organizations to advance auditing of government entities and programs.
- (7) The Auditor shall not be responsible for the keeping of any accounts of the state, except accounts relating to his own operations. The Auditor shall not be responsible for the collection of any money due the state, or for the handling or custody of any state funds or property except in the process of counting and verifying the amounts

of the funds or property in the course of the audits provided for in this section.

Effective: April 14, 2026

History: Amended 2026 Ky. Acts ch. 161, sec. 65, effective April 14, 2026. -- Amended 2020 Ky. Acts ch. 59, sec. 4, effective July 15, 2020. -- Amended 2016 Ky. Acts ch. 17, sec. 1, effective July 15, 2016. -- Amended 2010 Ky. Acts ch. 141, sec. 3, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 78, sec. 29, effective June 25, 2009. -- Amended 1998 Ky. Acts ch. 39, sec. 2, effective July 15, 1998. -- Amended 1992 Ky. Acts ch. 27, sec. 3, effective March 2, 1992. -- Amended 1990 Ky. Acts ch. 512, sec. 14, effective July 13, 1990. -- Amended 1982 Ky. Acts ch. 450, sec. 59, effective July 1, 1983. -- Amended 1978 Ky. Acts ch. 92, sec. 1, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(1) and (2). -- Amended 1970 Ky. Acts ch. 92, sec. 14. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 1992b-59, 4618-134, 4622, 4623.