



**Auditor of  
Public Accounts  
Allison Ball**

# Christian County Fiscal Court

## Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball has released the audit of the financial statements of the Christian County Fiscal Court for the fiscal year ended June 30, 2025. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor’s letter to communicate whether the financial statements present fairly the receipts, disbursements, and changes in fund balances of the Christian County Fiscal Court in accordance with accounting principles generally accepted in the United States of America. The fiscal court’s financial statement did not follow this format. However, the fiscal court’s financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for 116 of 120 fiscal court audits in Kentucky.

### **Finding: Failed to implement effective internal controls over financial reporting.**

This is a repeat finding and was included in the prior year audit report as finding 2024-001. The Christian County Fiscal Court’s Fourth Quarter Financial Statement that was submitted to the Department for Local Government (DLG) for the fiscal year end June 30, 2025, was misstated by \$1,326,910 due to posting errors. The fiscal court entered into a debt agreement in prior year to upgrade the radio system; however, monies were not disbursed until fiscal year 2025. Also, vehicles purchased for the sheriff’s office were omitted from the receipts and disbursements ledgers.

### **Recommendations**

We recommend the Christian County Fiscal Court strengthen internal controls over financial reporting by ensuring that all receipts and disbursements are properly recorded on the ledgers and reported on the county’s financial statements. This will help ensure the financial information submitted to DLG and other users is accurate and complete.

### **County Officials Response**

*County Judge/Executive’s Response: The extra journal entry for the Radio System debt was made due to not fully understanding all the correcting entries made in the prior year. When I sought clarification from the auditors’ office during that time, I did not receive the guidance needed to properly understand the requirements. This year, I was able to obtain answers to my questions and now have a better understanding of the reporting requirements which has been appreciated and of great assistance given the lack of training offered by the Commonwealth to County Treasurers. Additionally, the process for the lease of Sheriff vehicles has been adjusted to ensure that entries are made in the correct time period going forward.*

Auditor’s Reply: Representatives from the Office of the Auditor of Public accounts met with the county officials and employees on two occasions to go over findings associated with the county’s 2024 audit. The initial exit conference was conducted November 19, 2024, with a second meeting on January 3, 2025.

### **Finding: Failed to approve cash transfers prior to them being made.**

During fiscal year 2025, the Christian County Fiscal Court failed to approve cash transfers prior to them being made. We tested 16 cash transfers totaling \$3,584,070. All but one were transferred before they were subsequently approved by the fiscal court.

## Recommendations

We recommend all cash transfers be presented to, and approved by, the Christian County Fiscal Court prior to being made.

## County Officials Response

*County Judge/Executive's Response: All cash transfers will be presented to Fiscal Court for approval before being made. We acknowledge that during the exit interview, practical timing challenges were discussed regarding certain transfers; however, we are committed to implementing the auditors' guidance going forward. To facilitate this, we will establish a threshold based on account balance levels to determine when cash transfers should be presented to Fiscal Court for advance approval.*

## Finding: Had inadequate controls over disbursements resulting in noncompliance.

This is a repeat finding and was included in the prior year audit report as finding 2024-003. During fiscal year 2025, the Christian County Fiscal Court had internal control deficiencies and noncompliances regarding disbursements. The following findings were noted with Christian County Fiscal Court's disbursements:

- Five out of 68 invoices tested had purchase orders issued after the expense had already been incurred. These five invoices totaled \$106,488.
- The fiscal court failed to obtain three quotes prior to purchasing two vehicles costing a total of \$107,400 and purchased using the Finance and Administration Cabinet's Master Agreements.
- An agreement for the purchase and installation of a radio communications system was not properly procured through the competitive bidding process. Expenditures related to this agreement totaled \$605,846.

## Recommendations

We recommend the Christian County Fiscal Court strengthen internal controls over disbursements by ensuring that purchase orders are issued prior to all purchases being made. We also recommend that internal controls be implemented to ensure that the county complies with the guidelines in Finance and Administration Master Agreements when making disbursements under these agreements. Furthermore, we recommend that expenditures over \$40,000 be procured through competitive bidding as required by KRS 424.260.

## County Officials Response

*County Judge/Executive's Response: The five invoices identified belong to the Christian County Jail. The County Judge Executive's Office does not issue purchase orders they are handled internally at the jail. The jail has implemented procedures to resolve this issue.*

*At the time of purchase, the county relied in good faith on KRS 45A.050(3), which allows counties to purchase in accordance with state contracts, with the understanding that the state's competitive process satisfied our procurement obligations. The county did not recognize that the specific master agreement then in effect still required users to obtain quotes from at least three awarded dealers before purchasing. The county acknowledges that purchasing "in accordance with" a state contract requires compliance with all procedural conditions that contract and accepts responsibility for this omission. It should be noted that the Commonwealth has since entered into a successor Master Agreement that no longer includes the three-quote requirement for political subdivisions, which is consistent with the cooperative purchasing purpose of KRS 45A.050 to allow local governments to rely on state-bid contract without duplicative bidding requirements.*

**Auditor's Reply:** The Commonwealth of Kentucky entered into nine Master Agreements in February of 2023 for "Fleet Motor Vehicles" that could be utilized by all state agencies, as well as political subdivisions including counties, under KRS 45A.505(3). These agreements have all been renewed and are currently in effect until October 31, 2026, including the Master Agreement in question that was utilized by the Christian County Fiscal Court in fiscal year 2025. These Master Agreements require that all agencies obtain three quotes from approved dealers prior to purchase.

## Finding: Schedule of Expenditures of Federal Awards (SEFA) was misstated.

This is a repeat finding and was included in the prior year audit report as finding 2024-002. The Christian County Fiscal Court's Schedule of Expenditures of Federal Awards (SEFA) for the fiscal year ended June 30, 2025, was overstated by \$389,502. The county reported \$4,884,600 of federal expenditures; however, this included \$77,865 of unobligated funds related to the Coronavirus State and Local Fiscal Recovery (CSLFRF) that were returned to the U.S Department of Treasury, and \$311,637 in expenditures that were not reimbursed by federal monies.

## Recommendations

We recommend the Christian County Fiscal Court ensure the SEFA is complete and accurately prepared for each fiscal year federal monies are expended.

## County Officials Response

*County Judge/Executive's Response: There is no good and understandable education or training on how to complete the SEFA correctly. I have meet with the Auditors and asked questions to get a better understanding of what is to be included on the report.*

The audit report can be found on the [auditor's website](#).

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