



**Auditor of  
Public Accounts  
Allison Ball**

# Hart County Fiscal Court

## Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball has released the audit of the financial statements of the Hart County Fiscal Court for the fiscal year ended June 30, 2024. 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 Hart 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: Did not approve all cash transfers.

The Hart County Fiscal Court did not authorize and approve all cash transfers prior to transfers being made. Out of nine cash transfers tested, six transfers totaling \$1,670,709 were not approved by the fiscal court and one transfer in the amount of \$197,500 was made prior to fiscal court approval. This deficiency was due to the lack of oversight and internal controls over accounting functions. All seven of these transfers occurred in July 2023. The first fiscal court meeting of July 2023 was canceled and had to be rescheduled, which did not allow time for approval.

### Recommendations

We recommend all cash transfers between funds be approved by fiscal court and approved prior to the transfer being made.

### County Officials Response

*County Judge/Executive's Response: The transfers in question that were made on 7/2/2023 were budgeted transfers that were approved by the Fiscal Court and the Department for Local Government when the budget was approved on 6/1/2023. The transfer that was made on 7/31/2023 from the Grant Account to the General Account was to reimburse General for payment made before the grant was received. Hart County Fiscal Court will now approve the budgeted transfers before July 1 of each year and all transfers that were deposited into the wrong account.*

**Auditor's Reply:** The transfer of these funds was included and approved as part of the originally adopted budget. However, the actual cash transfer was not approved by the fiscal court as required.

The audit report can be found on the [auditor's website](https://www.auditor.ky.gov).