

147A.117 Contract for audit by certified public accountant or firm instead of the Auditor of Public Accounts -- Conditions for.

- (1) No area development district shall enter into any contract with a certified public accountant or firm to perform an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The area development district shall furnish the Auditor of Public Accounts with a comprehensive statement of the scope and nature of the proposed audit. The actual expense of an audit performed by the Auditor of Public Accounts shall be billed to the audited area development district.
- (2) Any contract with a certified public accountant or firm entered into as a result of the Auditor of Public Accounts either declining to perform the audit or failing to respond within thirty (30) days of receipt of a written request for an audit shall specify the following:
 - (a) That the certified public accountant shall forward a copy of the audit report and management letters to the Auditor of Public Accounts for review;
 - (b) That the Auditor of Public Accounts shall have the right to review the certified public accountant or firm's work papers before and after the release of the audit; and
 - (c) That after review of the certified public accountant or firm's work papers, should discrepancies be found, the Auditor of Public Accounts shall notify the audited entity of the discrepancies. If the certified public accountant or firm does not correct these discrepancies prior to the release of the audit, the Auditor of Public Accounts may conduct its own audit to verify the findings of the certified public accountant's report.
- (3) If an audit verifying the findings of the certified public accountant or firm's report is conducted by the Auditor of Public Accounts, the actual expense of the audit shall be billed to the area development district.

Effective: July 1, 2018

History: Created 2017 Ky. Acts ch. 33, sec. 4, effective July 1, 2018.