

1 AN ACT relating to area development districts and declaring an emergency.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 147A.117 (Effective July 1, 2018) is amended to read as  
4 follows:

5 (1) No area development district shall enter into any contract with a certified public  
6 accountant or firm to perform an audit unless the Auditor of Public Accounts has  
7 declined in writing to perform the audit or has failed to respond within thirty (30)  
8 days of receipt of a written request. The area development district shall furnish the  
9 Auditor of Public Accounts with a comprehensive statement of the scope and nature  
10 of the proposed audit ***and a quote for the audit from a certified public accountant.***

11 The actual expense of an audit performed by the Auditor of Public Accounts shall  
12 be billed to the audited area development district; ***however, that billed amount***  
13 ***shall not exceed the amount of the quote from a certified public accountant for***  
14 ***the proposed audit.***

15 (2) Any contract with a certified public accountant or firm entered into as a result of the  
16 Auditor of Public Accounts either declining to perform the audit or failing to  
17 respond within thirty (30) days of receipt of a written request for an audit shall  
18 specify the following:

19 (a) That the certified public accountant shall forward a copy of the audit report  
20 and management letters to the Auditor of Public Accounts for review;

21 (b) That the Auditor of Public Accounts shall have the right to review the  
22 certified public accountant or firm's work papers before and after the release  
23 of the audit; and

24 (c) That after review of the certified public accountant or firm's work papers,  
25 should discrepancies be found, the Auditor of Public Accounts shall notify the  
26 audited entity of the discrepancies. If the certified public accountant or firm  
27 does not correct these discrepancies prior to the release of the audit, the

1 Auditor of Public Accounts may conduct its own audit to verify the findings  
2 of the certified public accountant's report.

3 (3) If an audit verifying the findings of the certified public accountant or firm's report is  
4 conducted by the Auditor of Public Accounts, the actual expense of the audit shall  
5 be billed to the area development district.

6 ➔Section 2. Whereas, it is imperative that the expenses of audits conducted by the  
7 Auditor of Public Accounts under Section 1 of this Act are billed in a consistent manner,  
8 an emergency is declared to exist, and this Act shall take effect on July 1, 2018.