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|  <p><b>KENTUCKY<br/>CORRECTIONS</b><br/>Policies and Procedures</p> | Policy Number                  | Total Pages     |
|  | Date Filed                     | Effective Date  |
| Authority/References<br>KRS 45.121, 196.030, 196.035, 439.600,<br>439.630<br>P & P ACA 3D-23, 3D-26  | 27-01-03                       | 1               |
|  | *                              | January 1, 2012 |
|  | Subject<br><b>FISCAL AUDIT</b> |                 |

## I. DEFINITIONS

“Audit” means an examination of part or all of the fiscal functions of a budgetary unit to ensure compliance with all requirements of law, regulation, policy and procedure.

“Division of Administrative Services” means those employees within the Department of Corrections that are charged with the development and oversight of the department’s budget and all subsequent fiscal matters.

“Pre-audit” means an examination of the documents, claims, and validity of each independent charge incurred against the Division’s budget to ensure compliance with all requirements of law, regulation, policy and procedure.

“Pro Cards” means the Procurement Cards used by supervisory, management, and administrative level employees for the purchase of necessary items not under contract through established vendors. These cards are used in place of petty cash funds.

## II. POLICY AND PROCEDURE

A. Pursuant to KRS 45.121, the Division of Administrative Services shall assume all pre-audit functions of travel vouchers, Pro Cards, and other fiscal structures within the Division of Probation and Parole. This process shall occur on a continual basis throughout the fiscal year with annual internal review, at minimum, to ensure compliance with all statutory, regulatory, and budgetary restraints. (3D-23; 3D-26)

B. The Division of Administrative Services or its designees shall conduct an audit of the Division of Probation and Parole’s fiscal operations at least every three years. The scope of the audit shall be determined by the Director of the Division of Administrative Services or the Commissioner of the Department of Corrections. A written report of the audit results shall be furnished to the Director of Probation and Parole for review. (3D-26)

C. An employee of the Division of Probation and Parole shall not be used to conduct any of the above functions.