

Frequently Asked Questions: Library Audits

What Are the Statutory Audit Requirements for Kentucky Libraries?

Kentucky Revised Statutes require most libraries to perform audits of their financial records. How often those audits occur depends upon the library's income (KRS 65A.030(1)).

Libraries that receive or expend \$100,000-499,999 from all sources in a year are required to file a financial statement each year, and contract for an audit every four years. Libraries that receive or expend \$500,000 or more from all sources must annually prepare a financial statement and contract for an audit.

How Do Library Boards Choose An Auditor?

According to KRS 65 A.030(2), Kentucky libraries must contract with an independent certified public accountant or the Kentucky Auditor of Public Accounts to perform an audit. The library may hire an auditor directly, request proposals or put the audit out for bid. When choosing an auditor, the library may ask for recommendations from other libraries or taxing districts.

KRS 65A.030(2) states that the contracted auditor should use generally accepted governmental auditing or attestation standards for governmental organizations, programs, activities, and functions as issued by the Comptroller General of the United States or generally accepted standards for all audits or attestations promulgated by the American Institute of Certified Public Accountants. These requirements should be communicated to all auditors bidding, submitting proposals or otherwise in consideration for conducting the library audit.

Should the Library Board Award a Contract to an Auditor?

The library board should award a contract to the chosen auditor through a vote of the board. The contract with the auditor should specify the year for the audit being performed, an agreed upon delivery date for the audit and the performance of the audit according to the standards in KRS 65A.030(2).

The audit should be contracted so as to be completed no later than 12 months following the close of the fiscal year subject to the audit or attestation engagement. A good rule of thumb is to engage the auditor at least six months before the audit is due.

Where Are Library Audits Filed?

As required by statute, finished audits must be uploaded as a PDF to the Department for Local Government's online portal within 15 days following receipt (KRS 65A.030) or by June 30th.

Where Can I Learn More About Library Audits?

For more information about library audits, see the [Fiscal Responsibility module](#) of the Trustee Certification program and the [Audits and Attestation Agreements section](#) of the KDLA Administrator's Manual.

This tip is not intended as legal advice. If you feel you need legal advice, please consult an attorney.