

**FAP 120-13-00**  
**DECENTRALIZATION OF THE PRE-AUDIT FUNCTION**

Agencies shall assume pre-audit authority pursuant to KRS 45.121.

Pre-audit shall consist of verification of the validity of claims. Verification shall include an edit applied to a document by the computerized system, as well as review of accounts and elements applied, and review of conformance with applicable rules, regulations or legal requirements.

For an agency that assumes the pre-audit authority:

- (1) A Pre-audit Delegation Agreement shall be executed between the responsible official of the agency and the secretary of the Finance and Administration Cabinet. This Agreement shall incorporate by reference agency signature approval authorizations referencing FAP 120-22-00.
- (2) Periodic post-audit review shall be made by the Finance and Administration Cabinet to ensure the effective functioning of the pre-audit process. The audit may be performed randomly without any notice to the agency.
- (3) The agency shall adhere to the Finance and Administration Cabinet policies and procedures for Document Retention, Prompt Payment of Vendors and Open Records Requests.

The Finance and Administration Cabinet shall determine the capability of an agency to assume the pre-audit function and assess the agency's ability to retain the pre-audit function.