



KENTUCKY LABOR CABINET

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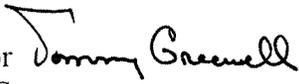
J. R. Gray
Secretary

Daniel Mongiardo
Lieutenant Governor

Mark S. Brown
Deputy Secretary

MEMORANDUM

To: Commissioners
Directors
Agency Property Officers

From: Tommy Greenwell, Executive Director 
General Administration and Program Support

Date: January 28, 2009

Subject: FY 2009-2010
Fixed Assets Annual Audit

In accordance with KRS 45.360, agencies are required to maintain a current fixed asset record of equipment having an original cost of five hundred dollars (\$500) or more and a useful life of greater than one year.

To comply with the governmental accounting standards (GASB 34), the Finance and Administration Cabinet, Division of Statewide Accounting Services requires a physical inventory of fixed assets by all state agencies. A physical inventory of fixed assets is essential to maintaining accurate records. The accuracy of the fixed asset records is necessary in order for management to demonstrate stewardship as well as reporting accurately the Commonwealth's financial position at year-end, through the Comprehensive Annual Financial Report. The cabinet requires an inventory of all fixed asset records: equipment, vehicles, land, buildings, and improvements to land with a value of five hundred dollars (\$500) or more. All land, without regard to cost, is also included.

This physical inventory includes all equipment and furnishings on hand at June 30, items purchased after the inventory are covered in the instructions given to the property officers. Agency personnel responsible for completing the physical audit must physically see all equipment assigned to their respective agency.



Key Dates and Deadlines

- **January 28, 2009**- Memo send out to Commissioners, Directors and Agency Property Officers notifying all of the start of the Annual Audit and that they are required to send the Tri-Cabinet Property Officer (David Nalley) the perspective dates and locations on when they will be auditing each location.
- **February 6, 2009**- Perspective dates and locations due back to Tri-Cabinet Property Officer (David Nalley). No start dates will be prior to the official start of the Audit which will begin on February 16, 2009
- **February 16, 2009** – **Audit Begins**. All assigned property must be made available during the audit period designated by each agency. A fixed asset report by employee will be provided to each agency. The Division Property Officer will visually locate the items in their area, check it off on the audit sheet as found, if the item is missing, mark the item missing on the audit sheet, and make any changes in the database to claim an item under a new employee or location. If an employee refuses to sign their report, please note and take to their supervisor for signature.
- **April 30, 2009** – Audit Ends. Each agency is to keep a copy for their files and send a copy to their Department Commissioner's Office. They are to send David Nalley, Division of Fiscal Management, the originals and your missing list for Fiscal Year 2006-2007
- **May 30, 2009** – David Nalley, Division of Fiscal Management, will send Cabinet's audit report to the Division of Statewide Accounting Services and the Auditor of Public Accounts.
- **June 30, 2009** – Deadline on items purchased in Fiscal Year 2009 to be entered into the Fixed Assets System. Also, any shells out on FA / HELD must be completed or deleted by June 30.
- **June 1 – 31, 2009** – Final look for missing items. Report any missing items that are found to the Property Administrator.
- **July 2, 2009** – Missing List will be sent to Commissioners.

Should you have any questions regarding the audit, please do not hesitate to contact David Nalley at 564-2282, ext. 149.

BG/ddn