



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Cumberland County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Cumberland County Clerk Bryan Morgan. State law requires the auditor to conduct annual audits of county clerks and sheriffs.

Auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the receipts, disbursements, and excess fees of the Cumberland County Clerk in accordance with accounting principles generally accepted in the United States of America. The clerk's financial statement did not follow this format. However, the clerk's financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for all 120 clerk audits in Kentucky.

The audit contains the following finding:

The Cumberland County Clerk's Office Lacks Adequate Segregation Of Duties: The Cumberland County Clerk's Office lacks adequate segregation of duties over various accounting functions. The segregation of duties involving the collection and reporting of receipts, the preparation and recording of disbursements, and bank reconciliations is a basic internal control necessary to ensure the accuracy and reliability of financial reports. This deficiency increases the risk of misappropriation of assets, errors, and inaccurate financial reporting.

We recommend the county clerk segregate duties involving the collection and reporting of receipts, the preparation and recording of disbursements, and bank reconciliations. If segregation of duties is not feasible due to a lack of staff, we recommend the county clerk implement and document compensating controls to offset this control deficiency in the form of strong oversight from an employee not performing any of those functions.

County Clerk's Response: Due to lack of funding, the office is unable to meet the staffing required to satisfy duty requirements. I am implementing compensating controls immediately to reduce risk and/or weaknesses in existing controls.

The county clerk's responsibilities include collecting certain taxes, issuing licenses, maintaining county records and providing other services. The clerk's office is funded through statutory fees collected in conjunction with these duties.

The audit report can be found on the [auditor's website](#).

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