



## Auditor of Public Accounts Allison Ball

**FOR IMMEDIATE RELEASE**

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### **Ball Releases Audit of Ohio County Fiscal Court**

**FRANKFORT, Ky.** – State Auditor Allison Ball has released the audit of the financial statements of the Ohio County Fiscal Court for the fiscal year ended June 30, 2023. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor’s letter to communicate whether the financial statements present fairly the receipts, disbursements, and changes in fund balances of the Ohio County Fiscal Court in accordance with accounting principles generally accepted in the United States of America. The fiscal court’s financial statement did not follow this format. However, the fiscal court’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 116 of 120 fiscal court audits in Kentucky.

The audit contains the following findings:

**The Ohio County Fiscal Court does not have adequate controls over occupational and net profit tax collections:** During the testing of occupational and net profit taxes, the following exceptions were noted: one of ten companies tested for occupational tax testing was not properly maintained, and one of sixteen companies did not file a new profit return or document a follow-up on the missing tax returns. According to the occupational tax administrator, only two individuals are working in the office without extra help.

We recommend the county implement internal control procedures to ensure that the county is properly processing occupational taxes and net profit taxes correctly.

*County Judge/Executive’s Response: Every effort is made to file and maintain all documents.*

**The Ohio County detention center does not have adequate segregation of duties over jail commissary receipts and disbursements:** The jailer prepares deposits, prepares checkout sheets for inmate fees collected, handles cash collected from inmates, and approves and signs commissary checks. According to the jailer, this lack of segregation of duties is a result of a limited budget, which restricts the number of qualified employees they can hire for accounting functions.

We recommend the Ohio County Detention Center implement segregation of duties over jail commissary receipts and disbursements of the jail commissary. If the duties cannot be segregated due to a limited number of staff or budget, strong oversight should be provided over the employee responsible for the duties. In addition, any compensating controls should be documented if performed.

*Current Jailer Landon Spurlock’s Response: Ohio County Detention Center will add a second signature to every check that is written out of the commissary account. I have spoken with First United Bank and they have started on the paperwork to add Chief Deputy Ronnie Schroader to the commissary account, as a signee. Ohio County Detention Center will start documenting the internal controls over the collection of receipts. Jailer Spurlock will file a daily cash check out sheet for any money that will be deposited into our commissary account. Chief Deputy Ronnie Schroader will then look over and sign off on the checkout sheet, before the report is handed over to our commissary accountant.*

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

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