



**Auditor of  
Public Accounts  
Allison Ball**

# Ballard County Fiscal Court

## Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball has released the audit of the financial statements of the Ballard County Fiscal Court for the fiscal year ended June 30, 2024. 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 Ballard 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.

### **Finding: The fiscal court's financial statement was materially misstated**

The fiscal court reported a beginning balance of \$1,312,282 on the Road Fund when the actual beginning balance was \$331, therefore, the beginning balance was overstated by \$1,311,951. In addition, the fiscal court made a \$188,049 payment on a line of credit debt that was not included on the financial statements.

### **Recommendations**

We recommend the fiscal court strengthen internal controls over financial reporting by ensuring that the beginning fund balances are accurate, and all debt service activity is included on the financial reports.

### **Response**

*County Judge/Executive's Response: This was an accounting error made that was not caught until the audit. It has been corrected as of December 2024.*

### **Finding: The fiscal court's SEFA was materially misstated**

The fiscal court's Schedule of Expenditures of Federal Awards (SEFA) for the fiscal year ended June 30, 2024, was misstated by \$336,876. The county reported \$226,253 of federal expenditures; however, this did not include \$336,876 of transfers from the ARPA fund. According to the former treasurer, the transfers from the ARPA funds were not included on the SEFA due to an oversight.

### **Recommendations**

We recommend the fiscal court ensure the SEFA is complete and accurately prepared for each fiscal year that federal monies are expended.

### **Response**

*County Judge/Executive's Response: This was ARPA funding. This error was identified during audit and has been corrected.*

### **Finding: The fiscal court had inadequate controls over disbursements resulting in noncompliance**

During the review of the fiscal courts disbursements, several findings were noted, including 40 out of 69 invoices tested had purchase orders that were issued after the expense had already been incurred, four invoices were not paid within 30 working days of receipt, three invoices were not coded correctly, one invoice was paid twice, and five purchases did not adhere to bidding requirements.

## Recommendations

We recommend the fiscal court strengthen internal controls over disbursements by ensuring that purchase orders are issued prior to all purchases being made and all invoices are coded accurately. We also recommend the fiscal court comply with bidding requirements outlined by the county's administrative code, and disbursements be paid within 30 working days of receipt in accordance with KRS 65.140(2).

## Response

*County Judge/Executive's Response: This is a repeat finding year after year. Our p.o. system was put in place after the 2014 audit. We have taken tremendous steps to correct our p.o. system for more accountability, including department heads meetings and in house meetings. We made errors in the p.o. system again for FYE 2024. This is a work in progress and we have taken corrective action and should not be a finding in FYE 2025.*

## Finding: The fiscal court failed to implement sufficient internal controls over their service organization's collection of ambulance receipts

The fiscal court failed to oversee the ambulance billing service organization that handles all of the billing and receipt collections for the Ballard County Ambulance Service. In fiscal year 2024, the amount of ambulance receipts reported on the quarterly report was \$332,962. Several findings were noted with the collection of receipts at the service organization, including improper review of billing and collections and a lack of oversight and control over the ambulance receipts process.

## Recommendations

We recommend the fiscal court strengthen internal controls regarding the Ambulance Service's organization.

## Response

*County Judge/Executive's Response: I am not in total agreement with this finding. We closely monitor monthly revenues. We have had our EMS staff trained to better code reports for better revenue collection from insurance/Medicaid. We used an out of state billing service, from 2022 until 2024. We did not know the service had let our Medicaid certification expire, resulting in less payments, until August 2024. Due to procuring a new billing service in the last quarter of 2024, we held the last quarter calls/runs for billing, then submitted after July 1, 2024 when we switched to the new billing service as of July 1, 2024. The revenues declined in the last quarter but were "caught up" in the first quarter of FYE 2025. [Employee name redacted] has built a relationship with AMB staff. We continue to closely monitor out monthly revenue since the 2014, 15 audits. This is a work in progress.*

Auditor's Reply: The Ballard County Fiscal Court lacked adequate documentation of internal controls over ambulance billings. Additionally, the lack of controls allowed the ambulance's Medicaid certification to expire and caused a reduction in ambulance revenues received by Ballard County.

## Finding: The Ballard County Jail lacks adequate segregation of duties over inmate and canteen operations

The Ballard County Jail lacks adequate segregation of duties due to the bookkeeper performing most financial duties with minimal oversight. According to the jailer, due to the number of office staff and a limited budget, the jail has limited options for establishing a proper segregation of duties.

## Recommendations

We recommend the Ballard County Jail segregate duties to the extent possible. If financial duties cannot be separated, the jailer should implement review procedures to provide strong oversight of the employee or employees responsible for these duties.

## Response

*Jailer's Response: The Ballard County Detention Center will be implementing a system to better comply with segregation of duties, we will have the necessary changes needed in place by April 1.*

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

