



**Auditor of  
Public Accounts  
Allison Ball**

## **Ballard County Clerk's Fee Account Audit**

**FRANKFORT, Ky.** – State Auditor Allison Ball released the audit of the 2024 financial statements of Ballard County Clerk Katie Mercer. 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 statements present fairly the receipts and disbursements of the Ballard County Clerk and the receipts, disbursements, and fund balances of the Ballard County Clerk's operating fund and county fund in accordance with accounting principles generally accepted in the United States of America. The clerk's financial statements did not follow this format. However, the clerk's financial statements are 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.

### **Finding: Lacks an adequate segregation of duties.**

The Ballard County Clerk's Office lacks an adequate segregation of duties. The duties associated with the authorization of transactions, custody of cash, and recording of transactions are not properly segregated. Even though daily checkout procedures are performed by the deputy clerks on a rotating basis, the bookkeeper is still responsible for posting transactions to the ledgers, preparing weekly, monthly and quarterly reports, preparing checks, and reconciling the bank statements. The bookkeeper also works on the front line of the office and receives cash from customers. No oversight review procedures were documented. According to the county clerk, this condition is the result of a limited number of staff in which to segregate duties. A lack of segregation of duties or strong oversight increases the risk that errors or fraud could occur and not be detected.

### **Recommendations**

We recommend the Ballard County Clerk separate the duties involved in receiving receipts from customers, posting to the receipts and disbursements ledgers, preparing weekly, monthly and quarterly reports, and performing monthly bank reconciliations. If this is not feasible, cross-checking procedures should be implemented and documented by the individual performing the procedures.

### **County Officials Response**

*County Clerk's Response: The office does segregate duties as best as possible. We will do a better job of documenting how these duties are segregated. There are controls in place the documentation is just difficult for the auditor to see.*

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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