



**Auditor of
Public Accounts
Allison Ball**

Boyle County Fiscal Court

Audit

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Boyle 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 Boyle 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: Failed to provide adequate oversight over accounting, reporting, and financial management practices.

The Boyle County Fiscal Court failed to implement adequate controls over accounting and reporting functions. The lack of controls resulted in numerous deficiencies as listed below:

- Budgeted receipts and disbursement amounts reported on the fourth quarter report did not agree to the budget and budget amendments approved by DLG.
- The county improperly recorded budget transfers, reserve amounts, and cash transfers as expenditures.
- The county failed to properly record CD interest.
- Payroll revolving account disbursements recorded were budgeted amounts instead of actual amounts.
- Bank reconciliations were not completed properly.
- Occupational tax receipts collected for the City of Danville were not recorded.

Recommendations

We recommend the fiscal court segregate duties and implement strong oversight over receipts, disbursements, bank reconciliation processes, and reporting. If segregation of duties is not possible, then the fiscal court should implement compensating controls by monitoring the financial activities of the fiscal court and continue to document this review. As a part of the strong oversight, the fiscal court should ensure all bank accounts are reconciled to the ledgers each month and the county's ledgers accurately reflect the county's activity by recording all amounts received, including occupational tax receipts collected for the City of Danville, and disbursed by the county, discontinuing the practice of recording budget transfers, reserves, and cash transfers as disbursements.

County Officials Response

County Judge/Executive's Response: We agree with the Auditor's comments. The Fiscal Court dismissed the previous Treasurer and hired a new Treasurer in May 2024. The Fiscal Court approved the purchase of new software known as [software name redacted] which will help the reporting of all revenue and disbursements. The County Judge/Executive will review all monthly bank statements and financial reports for accuracy.

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



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