Auditor of
Public Accounts
Allison Ball

Cumberland County Clerk's
Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 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.

Finding: Lacks adequate segregation of duties.

The Cumberland County Clerk's Office lacks adequate segregation of duties over various accounting functions. The county clerk collects receipts, prepares daily check out sheets, posts to ledgers, prepares monthly reports, performs bank reconciliations, prepares deposits, and prepares and signs checks. These incompatible duties create a lack of segregation of duties over receipts, disbursements, and reconciliations.

Recommendations

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 Officials Response

County Clerk's Response: The official did not provide a response.

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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