



**Auditor of  
Public Accounts  
Allison Ball**

# Greenup County Fiscal Court

## Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball has released the audit of the financial statements of the Greenup 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 Greenup 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 did not have controls in place to prevent an error in financial reporting**

The fiscal court did not properly record an approved budget amendment of \$1,982,000 on its quarterly report. The amount was posted twice to an expenditure account instead of to a corresponding receipt account. This posting error went undetected prior to the submission of the quarterly report to the Department for Local Government. According to the treasurer, this was the first budget amendment that she had ever done and used the incorrect process for posting. Inadequate controls over the posting process resulted in the undetected errors noted above. As a result, material budget adjustments were necessary to correct the posting error.

### **Recommendations**

We recommend the fiscal court implement effective internal controls, oversight, and review procedures to ensure all amounts reflected on the fourth quarter financial report are complete and accurate.

### **County Officials Response**

*County Judge/Executive's Response: This was our first budget amendment. We made a mistake. We have corrected this mistake. We will not make this mistake again. The best news, all money is accounted for!*

### **Finding: The jail commissary purchased electronic cigarettes without properly obtaining bids**

The jail commissary purchased electronic cigarettes (e-cigarettes), totaling \$98,518, from two vendors without properly obtaining bids. These purchases consisted of 28 invoices less than \$30,000 each. According to the jail bookkeeper, they forgot to go through the bid process. Furthermore, the jailer did not have controls in place to ensure compliance with bid requirements. It cannot be determined if the jailer has procured these items at the best available price.

### **Recommendations**

We recommend that the jailer properly obtain bids for e-cigarettes and any other purchases that meet the requirements of the Greenup County Administrative Code and the adopted Model Procurement Code.

## County Officials Response

*County Judge/Executive's Response: This has been corrected!*

*Jailer's Response: The jailer did not provide a response.*

## Finding: The jail does not have adequate segregation of duties over jail commissary transactions

The jail does not have adequate segregation of duties over jail commissary transactions. A deficiency occurs when someone has custody over assets and the responsibility of recording financial transactions. The bookkeeper for the jail commissary prepares deposits, prepares daily checkout sheets, and posts to the receipts ledger. In addition, the bookkeeper prepares monthly collection and disbursement reports, posts to the disbursements ledger, and prepares monthly bank reconciliations. The jailer has been informed of this issue and has failed to segregate duties or to implement and document compensating controls sufficient to offset the weakness noted.

## Recommendations

We recommend the jailer either segregate duties adequately or implement and document compensating controls. If these duties cannot be segregated, the jailer should implement additional compensating controls to help offset this weakness: recount the daily deposit and verify that it agrees to the daily checkout sheet, agree daily checkout sheet to the receipts ledger and deposit slip, review the monthly reports and agree them to the receipts ledger and disbursements ledger, and review the monthly bank reconciliation and trace transactions to source documents. The jailer should initial these documents as proof of his review.

## County Officials Response

*County Judge/Executive's Response: This has been corrected!*

*Jailer's Response: The jailer did not provide a response.*

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

