



**Auditor of  
Public Accounts  
Allison Ball**

# Hancock County Fiscal Court

## Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball has released the audit of the financial statements of the Hancock County Fiscal Court for the fiscal year ended June 30, 2023. 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 Hancock 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 lacks internal controls over disbursements**

Auditors noted internal control deficiencies including 32 disbursements, totaling \$1,119,219, in which purchase orders were not issued until after disbursements had been incurred and one disbursement, totaling \$147,994, was omitted from the claims list and not approved by the fiscal court.

### **Recommendations**

We recommend the Hancock County Fiscal Court strengthen internal controls over disbursements by ensuring that purchase orders are issued prior to all purchases being made. We also recommend the fiscal court ensure all claims are presented to the fiscal court prior to payment.

### **County Officials Response**

*County Judge/Executive's Response: We will monitor this more closely.*

### **Finding: The fiscal court did not perform a reconciliation between third party vendor and internal documents for ambulance collections**

The Hancock County Emergency Medical Services uses Ambulance Medical Billing (AMB) as a third-party vendor to complete billing services and accounts receivable management for ambulance runs made by the county ambulance service. The Emergency Management Agency (EMA) director visually compares the third-party vendor's claims to the county's internal documentation of billable runs conducted; however, no written reconciliations exist. According to the county treasurer, no reconciliations from the EMA director have been received; therefore, the bank reconciliations of the E-911 Account are compared to the reconciliation from AMB.

### **Recommendations**

We recommend the Hancock County Fiscal Court require written reconciliations of ambulance runs made by the county to the monthly invoices received from the third-party vendor to ensure the fiscal court is receiving proper compensation for services performed.

### **County Officials Response**

*County Judge/Executive's Response: The EMA Director will be required to reconcile the Ambulance runs reports with the Third-Party Vendor's report to ensure the allowable runs are being billed and receipted correctly.*

## Finding: The fiscal court lacks internal controls over receipts

During testing, receipts from 33 Occupational Tax Returns and receipts from two Net Profit Tax Returns were not deposited timely. Additionally, collections from the senior center, animal shelter, and parks and recreation were not deposited daily, and pre-numbered receipts were not issued for monies collected at the senior center.

## Recommendations

We recommend the fiscal court strengthen internal controls over decentralized collection sites. We recommend the fiscal court require pre-numbered receipts be issued for all transactions and require the monies and supporting documentation be turned over to the finance office every day. We also recommend that all receipts be deposited daily.

## County Officials Response

*County Judge/Executive's Response: We are aware of this and will focus on making daily deposits when feasible. When not feasible, we will ensure that compensating controls are in place to secure receipts.*

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

