



**Auditor of
Public Accounts
Allison Ball**

Martin County Clerk's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Martin County Clerk Susie Skyles. 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 Martin 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: Does not have adequate segregation of duties.

The Martin County Clerk's Office does not have adequate segregation of duties. One employee collected cash, prepared the daily checkout sheet, prepared the deposit slip, and took the deposit to the bank. There were no compensating controls in place to offset this control deficiency.

Recommendations

We recommend the county clerk's office adequately segregate duties and implement internal controls to ensure transactions are recorded timely. Employees receiving payments and preparing deposits should not be posting to the receipts ledger and preparing bank reconciliations. A proper segregation of duties may not be possible with a limited number of employees, and in that case, the county clerk or bookkeeper could take on the responsibility of reviewing the daily deposits, receipts and disbursements ledgers, monthly reports, and bank reconciliations prepared by another employee. These reviews must be documented in a way that indicates what was reviewed, by whom, and when. Further, the county clerk could require dual signatures on all checks, with one signature being the county clerk's.

County Officials Response

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

Finding: Has a deficit of \$27,073 in her 2023 official bank account.

The Martin County Clerk has a deficit of \$27,073 in the official 2023 fee account. The deficit is primarily due to a \$30,000 loan the county clerk made to her 2022 operating account to pay outstanding liabilities due to the taxing districts. The 2022 operating account subsequently reimbursed the 2023 operating account \$17,639 toward the amount borrowed, leaving a balance due of \$12,361 from the 2022 operating account.

Recommendations

We recommend the county clerk consult with the fiscal court and the county attorney to determine how to eliminate this deficit, up to and including using personal funds to pay the office's obligations that are currently outstanding.

County Officials Response

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

Finding: Has a deficit of \$7,558 in her official bank account.

The county clerk overspent funds that were available in calendar year 2022.

Recommendations

We recommend the county clerk consult with the fiscal court and the county attorney to determine how to eliminate this deficit, up to and including using personal funds to pay the office's obligations that are currently outstanding.

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](#).



209 St. Clair Street | Frankfort, KY 40601 | 502.564.5841 | www.auditor.ky.gov
