Martin County Fiscal Court

Audit

Auditor of Public Accounts Allison Ball

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Martin County Fiscal Court for the fiscal year ended June 30, 2025. 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 Martin 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 Martin County Fiscal Court Lacks Adequate Segregation Of Duties Over Cash, Receipts, And Reporting Processes

This is a repeat finding and was included in the prior year audit report as finding 2024-004. The Martin County Fiscal Court lacks adequate segregation of duties over cash, receipts, and reporting processes. The county treasurer is delegated most duties of the receipt process, including posting to receipts ledger, creating deposit slips, performing bank deposits, and performing quarterly reports and bank reconciliations with minimal review. The occupational tax department receives money, records payments, and takes deposits to bank with minimal review. We recommend the Graves County Fiscal Court strengthen internal controls over disbursements by requiring that purchase orders be issued prior to all purchases being made, and ensure all expenditures be paid timely. We further recommend that the county follow the county's and state's bidding requirements for all expenditures over the bid threshold.

Recommendations

We recommend the fiscal court implement segregation of duties over cash, receipts, and the reporting processes. If this is not possible due to a lack of staff, then the fiscal court should implement compensating controls.

County Officials Response

County Judge/Executive's Response: The official did not provide a response.

The audit report can be found on the auditor's website.