



**Auditor of
Public Accounts
Allison Ball**

Todd County Clerk's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of Todd County Clerk Cynthia O'Bryan. 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 Todd 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 over receipts and reconciliations.

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The Todd County Clerk's Office does not have adequate segregation of duties over receipts and reconciliations. The county clerk is responsible for receiving cash, preparing daily checkout sheets, entering financial information into the ledgers, preparing financial reports, and preparing monthly bank reconciliations. According to the county clerk, the lack of segregation of duties exists over the receipts and reconciliations functions of the clerk's office because of a limited number of employees available to properly segregate these job duties. A lack of segregation of duties could result in undetected misappropriation of assets and inaccurate financial reporting to external agencies such as the Department for Local Government.

Recommendations

We recommend the county clerk's office segregate the duties over receipts and reconciliations in order to adequately protect employees in the normal course of performing their duties and to help prevent misappropriation of assets and inaccurate financial reporting. If the county clerk's office cannot segregate duties, we recommend the implementation of compensating controls over these processes to mitigate the risks.

County Officials Response

County Clerk's Response: We are a small office. I do have a deputy that does the daily when needed or I'm unavailable. She also posts in Accounts Receivable and keeps totals for Deed Transfer Tax and Delinquent Tax.

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](#).

