



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Former Graves County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the January 1, 2017 through February 28, 2017 financial statement of former Graves County Clerk Barry Kennemore. 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 former Graves County Clerk in accordance with accounting principles generally accepted in the United States of America. The former clerk's financial statement did not follow this format. However, the former 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.

As part of the audit process, the auditor must comment on noncompliance with laws, regulations, contracts, and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

**The former Graves County Clerk did not reconcile accounts receivable subsidiary ledgers to the fee ledgers:** This is a repeat finding and was included in the prior year report as Finding 2016-001. The former Graves County Clerk allowed customers to charge for services provided by the county clerk's office. These transactions were recorded on the ledger in total and never reconciled to the individual customers' charges. By not reconciling what the customers are allowed to charge to what is collected, it is not possible to determine if all accounts receivables have been collected.

The former clerk relied on the point of sale system to account for customer charges; however, individual charge accounts on the point of sale system were not recorded on the ledgers nor reconciled to the total amount of charges recorded on the county clerk's ledgers. Due to there not

being subsidiary ledgers that reconcile to the amount on the settlement, it is not possible to determine if the outstanding balance as of the settlement is accurate.

This could lead to customers receiving services without settling their accounts. Accounts receivable are vulnerable to manipulation and should be accounted for by each individual account and reconciled to the total account balance. Good internal controls dictate that accounts receivable subsidiary ledgers be reconciled to amounts recorded and reported on the ledgers to ensure accuracy.

We recommend the Graves County Clerk's Office strengthen controls over accounting for these charges by developing a written policy regarding charges and maintaining subsidiary records for each customer that are reconciled to the clerk's ledgers on a monthly basis.

*Former County Clerk's Response: None.*

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](#).

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