



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

**Contact: Michael Goins**  
[Michael.Goins@ky.gov](mailto:Michael.Goins@ky.gov)  
**502.564.5841**  
**502.209.2867**

**Harmon Releases Audit of Lewis County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2019 financial statement of Lewis County Clerk Glenda Himes. 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 Lewis 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.

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 county clerk's office does not have adequate segregation of duties:** This is a repeat finding and was included in the prior year audit report as finding 2018-001. The county clerk's office does not have adequate segregation of duties over accounting and reporting functions. The county clerk is responsible for receiving cash, preparing daily deposits, preparing and signing checks, posting to receipt and disbursement ledgers, preparing monthly bank reconciliations, and also comparing the weekly, monthly and quarterly reports to the ledgers.

According to the county clerk, the clerk's office has a small budget which limits the number of employees the county can hire. A lack of segregation of duties or strong oversight increases the risk of undetected errors. A proper segregation of duties over the accounting and reporting functions such as preparation of the quarterly reports, or implementing compensating controls, is

essential for providing protection from undetected errors. The county clerk has implemented compensating controls to offset the risk of lack of segregation of duties, but the compensating controls aren't always documented.

We recommend the county clerk separate the duties involved in receiving cash, preparing deposits, writing checks, posting to ledgers, preparing monthly bank reconciliation, and comparing financial reports to ledgers. Also the county clerk should ensure any compensating controls, implemented, are properly documented in order to help offset the lack of segregation of duties.

*County Clerk's Response: I will continue to have employees check not only my work but co-workers also.*

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](#).

###

*The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.*

*Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.*

