



Auditor of Public Accounts  
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### **Harmon Releases Audit of Rockcastle County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2020 financial statement of Rockcastle County Clerk Danetta Ford Allen. 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 Rockcastle 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 Rockcastle County Clerk's Office does not have adequate segregation of duties over receipts, disbursements, and reconciliations:** The county clerk's office does not have adequate segregation of duties over receipts, disbursements, and reconciliations. The county clerk collects money from customers, assists in the preparation of daily check-out sheets, makes entries in the receipts ledger, prepares and signs checks, and performs bank reconciliations.

According to the county clerk, the clerk's office has a limited number of staff available to carry out the daily work. This deficiency increases the risk of misappropriation of assets, errors, and inaccurate financial reporting. Good internal controls dictate that controls over the financial

process be adequately segregated in order to lessen the chance of misstatements or misappropriations, whether due to error or fraud.

We recommend the county clerk segregate duties over receipts, disbursements, and the reconciliation process. If this is not feasible due to a limited number of staff, the county clerk could establish compensating controls to offset the risks associated with the lack of adequate segregation of duties.

*County Clerk's Response: We will continue to add compensating controls as we see necessary in order to lessen any risk associated with the office.*

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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