



Auditor of Public Accounts
Mike Harmon

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Contact: Michael Goins
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Harmon Releases Audit of Boyd County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2022 financial statement of Boyd County Clerk Kevin Johnston. 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 Boyd 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 finding:

The county clerk did not have adequate internal controls, review, and oversight procedures for receipts and disbursements: This is a repeat finding and was included in the prior year audit report as Finding 2021-002. The Boyd County Clerk did not implement adequate controls, review, and oversight procedures for receipts and disbursements. The following issue was noted during the audit:

- The clerk's bookkeeper posted to the receipts and disbursements ledger and performed bank reconciliations, however, there was no documentation of these items being reviewed by someone not involved in their creation.

The county clerk did have controls in place to ensure that staff knew the requirements, however documentation of monitoring/reviewing were not noted. Without sufficient authorization or review, receipts and disbursements could be posted incorrectly and/or misappropriated. The risk of mis-postings increases the risk of uncorrected errors, theft, loss, or misappropriation of assets. Strong internal controls require that adequate documentation and sufficient review of all receipts and disbursements are necessary to reduce the risk of errors and misstatements.

We recommend the county clerk's office implement procedures that strengthen controls over receipts and disbursements, including but not limited to, ensuring that an employee independent of the process is reviewing bank reconciliations and receipts and disbursements ledgers after they are prepared.

County Clerk's Response: The county clerk does have controls in place to ensure that staff knows the requirements, but the documentation of monitoring/reviewing is now being noted versus not noted.

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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