



## Auditor of Public Accounts Allison Ball

**FOR IMMEDIATE RELEASE**

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### **Ball Releases Audit of Clay County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Allison Ball released the audit of the 2023 financial statement of Clay County Clerk Beverly Craft. 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 Clay 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.

The audit contains the following finding:

**The Clay County Clerk's Office Lacks Adequate Segregation Of Duties:** This is a repeat finding from the prior year audit. The Clay County Clerk's Office lacks adequate segregation of duties over various accounting functions. The segregation of duties involving the collection and reporting of receipts, the preparation and recording of disbursements, and bank reconciliations is a basic internal control necessary to ensure the accuracy and reliability of financial reports. This deficiency increases the risk of misappropriation of assets, errors, and inaccurate financial reporting.

We recommend the county clerk segregate duties involving the collection and reporting of receipts, the preparation and recording of disbursements, and bank reconciliations. If segregation of duties is not feasible due to a lack of staff, we recommend the county clerk implement and document compensating controls to offset this control deficiency in the form of strong oversight from an employee not performing any of those functions.

*County Clerk's Response: We lack the staff to have a separate worker for each item. There would never be any excess fees to turn over if we tried. We will be continuing in our compensating controls. There is no set completion date as it will be ongoing as I further cross train my staff to be able to check behind their coworkers and myself on work that has been done. Most of my staff is still relatively new and while we count behind each other every day at check out; perform surprise checks of cash drawers; and have separate people complete the daily sheet, the deposit, the usage tax deposit, and carry those to the bank; those same ones have to share the jobs of completing other daily and weekly reports, checking behind, making the ACH payments, completing the monthly reports, verifying bill payments, cosigning checks, mailing bills, etc. I still do the payroll and complete bank reconciliations myself because most aren't ready for that job yet. I am trying to avoid taking in any money myself but sometimes we have people off work and I have to work the front line. I see no way to segregate our duties any further and be responsible with the taxpayers' money. We love to follow the plan of "three sets of eyes" on everything but sometimes there is just too much work to be done to allow that.*

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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