



Auditor of Public Accounts
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Harmon Releases Audit of Elliott County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2021 financial statement of Elliott County Clerk Jennifer Carter. 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 Elliott 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.

Finding 1 of the audit report will be referred to the Kentucky Office of the Attorney General (OAG), Department of Revenue (DOR), and the Department for Local Government (DLG) for further review.

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 findings:

The Elliott County Clerk is not fulfilling her duties as an elected county official: This is a repeat finding and was included in the prior year audit report as Finding 2020-001. The county clerk is not fulfilling her duties as an elected county official. The county clerk is not meeting these requirements and other statutory requirements. We have noted the following findings, which are detailed in the subsequent findings:

- The Elliott County Clerk's Office does not have adequate segregation of duties and internal controls over fee receipts and disbursements
- The Elliott County Clerk's fourth quarter report was not submitted to the Department for Local Government and it contained material errors
- The Elliott County Clerk did not present an annual settlement to the fiscal court
- The Elliott County Clerk made 34 late deposits totaling \$145,925
- The Elliott County Clerk owed \$214,068 to the Department of Revenue and has excess funds in her usage tax bank account
- The Elliott County Clerk did not pay delinquent taxes to districts timely and owes \$59,932 to taxing districts
- The Elliott County Clerk owes ad valorem taxes to taxing districts in the amount of \$32,935
- The Elliott County Clerk did not remit affordable housing payments to the state timely and owes \$2,778
- The Elliott County Clerk did not remit legal process tax payments to the state timely and owes \$1,913
- The Elliott County Clerk did not comply with the county's fee pooling ordinance
- The Elliott County Clerk does not have adequate controls over on-sufficient funds (NSF) checks
- The Elliott County Clerk has not settled her 2019 fee account
- The Elliott County Clerk has not settled her 2020 fee account

The county clerk does not devote sufficient time to financial reporting and has not implemented policies and procedures to ensure all financial activity is compiled and reported timely. Additionally, the county clerk has failed to implement policies and procedures to ensure taxes are distributed to taxing districts timely. The county clerk is in violation of many statutes that govern fee office operations. Most importantly, taxing districts (state, county, school, library, health department, extension district, conservation, etc.) are owed substantial amounts of taxes and have been deprived of these resources for a significant time.

KRS 68.210 gives the state local finance officer authority to prescribe a uniform system of accounts, which sets certain minimum accounting requirements for local officials. It is the statutory duty of the county clerk to collect and distribute motor vehicle taxes, delinquent taxes, and various taxes/fees on legal instruments. There are numerous statutes that outline the duties and responsibilities of the county clerk. Please refer to each individual finding for specific information related to that topic.

We recommend the county clerk take immediate action to remedy the issues outlined in these comments and recommendations. Further, we recommend the county clerk implement policies and procedures for her office to ensure these issues are corrected for future periods. This matter will be referred to the Department of Revenue (DOR), Kentucky Office of the Attorney General (OAG), and the Department for Local Government (DLG).

County Clerk's Response: New procedures were implemented in late 2021 which have improved all aspects of required duties, the improvements will be reflected in the 2022 audit.

The Elliott County Clerk's Office does not have adequate segregation of duties and internal controls over fee receipts and disbursements: This is a repeat finding and was included in the

prior year audit report as Finding 2020-02. The county clerk prepares daily deposits, prepares and signs checks and collects cash from customers. The bookkeeper posts to the receipts and disbursements ledgers, reconciles bank accounts, and prepares the quarterly report.

According to the county clerk, this condition is a result of a limited budget, which restricts the number of employees the county clerk can hire or delegate duties to. Inadequate segregation of duties allows for one person to have a significant role in processing and recording receipts and disbursements, which would increase the risk that undetected misappropriations of assets and inaccurate financial reporting will occur.

Internal controls and proper segregation of duties protects employees and the county clerk in the normal course of performing their daily responsibilities. Good internal controls dictate the same employee should not receive payments, prepare deposits and post to the receipts ledger; the same employee should not prepare monthly reports, sign checks and post to the disbursements ledger; and the same employee should not deposit funds, sign checks, post to ledgers and prepare bank reconciliations and monthly reports.

We recommend the county clerk's office adequately segregate duties and implement internal controls to ensure transactions are recorded timely. Employees receiving payments and preparing deposits should not be posting to the receipts ledger and preparing bank reconciliations. A proper segregation of duties may not be possible with a limited number of employees, and in that case, the county clerk or bookkeeper could take on the responsibility of reviewing the daily deposits, receipts and disbursements ledgers, monthly reports, and bank reconciliations prepared by another employee. These reviews must be documented in a way that indicates what was reviewed, by whom, and when, because signing off on inaccurate information does not provide internal control. Further, the county clerk could require dual signatures on all checks, with one signature being the county clerk's.

County Clerk's Response: A corrective action has been planned awaiting approval from fiscal court, the plan has not been submitted yet but will be presented end of December 2022.

The Elliott County Clerk's fourth quarter report was not submitted to the Department for Local Government and it contained material errors: This is a repeat finding and was included in the prior year audit report as Findings 2020-003 and 2020-004. The county clerk did not submit quarterly reports to the Department for Local Government (DLG). The county clerk prepared a fourth quarter report at the beginning of the Motor Vehicle Records (MVR) audit, but it has not been submitted to DLG. No other quarterly reports were prepared or submitted to DLG for calendar year 2021. Also, though most were posting errors, numerous adjustments were necessary to correct material errors. Specifically, several errors were made when classifying items on the receipts and disbursements ledgers and when carrying items over from the ledgers to the fourth quarter report. In particular, seven adjustments over \$50,000 each were made to disbursements.

The county clerk neglected to ensure quarterly reports were prepared and submitted to DLG. Also, the county clerk did not have procedures in place to ensure that posting was accurate on the county clerk's receipts and disbursements ledgers as well as the fourth quarter financial report, such as reconciling weekly and monthly reports to the ledgers to ensure amounts are posted

correctly. Failure to submit required reports prevents proper oversight from DLG and increases the risk that errors, misstatements, or fraud can occur and go undetected for a significant time period. In addition, not reconciling amounts posted to ledgers to weekly and monthly reports creates an opportunity for amounts to be posted to incorrect categories on the ledgers. As a result, the audit took longer than normal in order to determine and make all necessary adjustments.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* requires officials to submit quarterly reports to DLG by the 30th day following the close of each quarter. The uniform system of accounts has specific requirements on how to record various types of transactions for different funds and fund types. The most basic requirement of the uniform system of accounts is that all transactions are recorded and classified correctly.

We recommend the county clerk submit her quarterly reports to DLG timely in the future. Also, we recommend the county clerk reconcile her ledgers to weekly and monthly reports to ensure amounts are posted to the correct category to help prevent material errors from occurring.

County Clerk's Response: A corrective action has been planned awaiting approval from fiscal court, to be submitted end of December 2022.

The Elliott County Clerk did not present an annual settlement to the fiscal court: This is a repeat finding and was included in the prior year audit report as Finding 2020-005. The county clerk did not prepare or present an annual settlement of excess fees to the fiscal court. The county clerk does not have controls in place to ensure that an annual settlement is prepared and presented to the fiscal court.

The lack of compliance with applicable state laws and Department for Local Government (DLG) reporting requirements has led to the fiscal court not being adequately informed of the financial activities of the county clerk's office, resulting in the limited ability to appropriately monitor the financial activity and make fully informed financial decisions for the county.

KRS 64.152(1) states, in part, “. . . the county clerk shall provide to the fiscal court by March 15 of each year a complete statement for the preceding calendar year of all funds received by his office in an official capacity or for official services, and of all expenditures of his office[.]”

We recommend the county clerk implement controls to ensure compliance with KRS 64.152 by presenting an annual settlement to the fiscal court by March 15.

County Clerk's Response: A corrective action has been planned awaiting approval from fiscal court to be submitted end of December 2022.

The Elliott County Clerk made 34 late deposits totaling \$145,925: The county clerk's receipts were not batched and deposited daily, resulting in a delay of more than three business days before a day's receipts were posted to the bank. Of the sample we tested, deposits were between 11 to 15 days late. Further, between the period September 1, 2021 through December 31, 2021, the county

clerk made a total of 34 deposits late that totaled \$145,925. Of those late deposits, 18 of them were over 20 days late, two of them were over 100 days late, and one was over 170 days late.

The county clerk did not have procedures in place to ensure deposits were made timely. Failure to batch and deposit receipts daily increases the likelihood of misstatement or fraud occurring without detection. In addition, not making deposit timely increases the risk that checks within the deposit are no longer valid.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* requires receipts to be batched and deposited daily.

We recommend the county clerk's office batch receipts and prepare a checkout sheet daily and make deposits per the uniform system of accounts.

County Clerk's Response: Employee turnover did have an affect on this finding, the correction has been made and will be reflected in the next upcoming audit, one deputy has been assigned to make deposits daily.

The Elliott County clerk owed \$214,068 in usage tax to the Department of Revenue and has excess funds in her usage tax bank account: This is similar to a prior year finding and was included in the prior year audit report as Finding 2020-006. The county clerk did not properly account for usage tax collections. For calendar year 2021, the county clerk owed usage tax to the Department of Revenue (DOR) in the amount of \$214,068. The county clerk did not properly deposit usage tax collections daily and transfer amounts to the state depository as required. The county clerk only transferred usage funds for 21 out of 52 weeks during the year. Subsequently, on March 15, 2022, the county clerk transferred the \$214,068 from the 2021 fee account to the usage account. On March 16, 2022, the county clerk remitted the remaining usage tax due for 2021 in the amount of \$214,068 to DOR. An excess of \$16,475 in funds remained in the county clerk's usage tax bank account. Of this excess amount, \$14,000 was paid to the fiscal court on September 8, 2022.

The county clerk did not have procedures in place to ensure that usage tax was remitted from the fee account to the usage tax account daily and properly transferred to the state timely. In addition, the county clerk was not reconciling her usage tax account monthly. The usage tax account has carried an excess of funds for years, due to incorrect amounts being transferred from fee accounts to the usage tax account as a result of errors.

As a result of not properly remitting usage tax from the fee account to the usage tax account, the county clerk runs the risk of overpaying excess fees to the county and not having the funds to remit to DOR. The county clerk also runs the risk that her office will owe penalties that are prohibited from being paid from the fee account. By not reconciling the usage tax bank account, and allowing an excess of funds to build up, the county clerk has not remitted all excess fees due to fiscal court over the years.

KRS 131.155(2)(c) requires the county clerk to, “deposit motor vehicle usage tax and sales and use tax collections in the clerk’s local depository account not later than the next business day following receipt. The clerk shall cause the funds to be electronically transferred from the clerk’s local depository account to the State Treasury in the manner and at the time prescribed by the department[.]”

KRS 138.464(4) states, “[f]ailure to deposit or, if required, transfer collections as required above shall subject the clerk to a penalty of two and one-half percent (2.5%) of the amount not deposited or, if required, not transferred for each day until the collections are deposited or transferred as required above. The penalty for failure to deposit or transfer money collected shall not be less than fifty dollars (\$50) nor more than five hundred dollars (\$500) per day.”

While the county clerk has remitted the \$214,068 in usage tax owed to DOR from the usage tax account, we recommend the county clerk ensure usage tax is deposited from the fee account to the usage tax account daily and transferred to the DOR timely. The easiest way to prevent an excess in funds in the usage tax account would be to perform monthly bank reconciliations of the usage tax account, and trace daily usage amounts from the fee to the usage accounts and ensuring that same amount was paid to DOR.

County Clerk’s Response: Correction to procedures have been made and will be reflected in the next audit. The excess fees were paid to the fiscal court \$14,000.00. All usage tax owed has been paid and has been paid timely in 2022.

The Elliott County Clerk did not pay delinquent taxes to districts timely and owes \$59,932 to taxing districts: This is similar to a prior year finding and was included in the prior year audit report as Finding 2020-008. The county clerk did not pay delinquent tax payments to districts timely. Further, out of the months paid, only one month was paid timely. Delinquent tax payments are unpaid for March through December 2021 in the amount of \$59,932 as follows:

| Taxing District | Amount Due | Months Not Paid |
|-------------------|------------------|--|
| County Attorney | \$ 13,055 | March, April, May, June, September, October and December |
| Sheriff | 8,191 | March, April, May, June, September, October, November and December |
| State | 8,306 | March, April, May, June, September, October, November and December |
| County | 3,567 | June, September, October, November and December |
| School | 6,087 | December |
| Health | 5,352 | March, April, May, June, September, October, November and December |
| Extension | 5,144 | March, April, May, June, September, October, November and December |
| Ambulance | 6,135 | March, April, May, June, September, October, November and December |
| Soil Conservation | 4,035 | March, April, May, June, September, October, November and December |
| Fire Acres | 60 | June, October and December |
| | <u>\$ 59,932</u> | |

The county clerk does not have controls in place in order to make sure delinquent tax payments are made timely. By not remitting payments timely to taxing districts, cash flow problems can occur for these taxing districts as they rely on tax collections to fund a significant portion of their budgeted services.

KRS 134.126(3) requires the county clerk to, “report by the tenth day of each month to the department, the county treasurer, the sheriff, and the proper officials of the taxing districts.”

We recommend the county clerk implement controls to ensure monthly delinquent tax payments are paid by the tenth of each month in accordance with KRS 134.126(3).

County Clerk’s Response: Delegating responsibility has now been implemented and improvements will be reflected in 2023. Payment has been issued to each taxing district. 11/19/2022.

The Elliott County Clerk owes ad valorem taxes to taxing districts in the amount of \$32,935:

This is similar to a prior year finding and was included in the prior year audit report as Finding 2020-007. The county clerk did not properly pay ad valorem taxes due to taxing districts. The state was paid all ad valorem payments they were due for the year and was overpaid as depicted in the chart below. The county clerk did remit December ad valorem to taxing districts, but paid off an incorrect report, leaving an additional amount due for December. Included in the chart below are amounts due to/(due from) districts, as well as the specific unpaid months.

| <u>District</u> | <u>Amount Due To/(Due From)</u> | <u>Months Not Paid/(Overpaid)</u> |
|-----------------|---------------------------------|---|
| State | \$(1,020) | January (under), September (over), and December (under) |
| County | 38 | December |
| Health | 1,667 | February and December |
| Extension | 834 | February and December |
| Ambulance | 4,307 | February, September, and December |
| School | 27,109 | February, September, and December |

The county clerk did not have procedures in place to ensure ad valorem taxes were remitted accurately and timely. As a result, districts were not always paid the correct amount and/or paid timely and unable to use funds due to them. In addition, the county clerk increases the risk of incurring penalties that are prohibited from being paid from the fee account.

KRS 134.815(1) states, “[t]he county clerk shall, by the tenth of each month, report under oath and pay to the state, county, city, urban-county government, school, and special taxing districts all ad valorem taxes on motor vehicles collected by him for the preceding month, less the collection fee of the county clerk, which shall be deducted before payment to the depository.”

KRS 134.815(2) states, “[a]ny county clerk who fails to pay over any taxes collected by him on motor vehicles as required by subsection (1) of this section shall be required to pay a penalty of one percent (1%) for each thirty (30) day period or fraction thereof, plus interest at the legal rate per annum of such taxes.”

We recommend the county clerk ensure the payment made to districts agrees to the reports, and pay the taxing districts in accordance with state law. We also recommend the county clerk remit the amounts due above to the districts and collect the overpayment from the state.

County Clerk's Response: Improvements have been made that are not reflected in this audit. Payments have been issued to the taxing districts.

The Elliott County Clerk did not remit affordable housing payments to the state timely and owes \$2,778: This is similar to a prior year finding and was included in the prior year audit report as Finding 2020-010. The county clerk did not remit quarterly affordable housing payments for calendar year 2021 and owes \$2,778 to the Department of Revenue (DOR) accordingly.

The county clerk does not have proper internal controls implemented to ensure that timely payments are made for affordable housing. As a result, the county clerk did not remit timely payments for affordable housing to the state. The county clerk is supposed to file a report with the DOR on or before the tenth day of the month following the quarter covered by the report and attach payment for the total amount computed due.

We recommend the county clerk pay the amount of \$2,778 due to the DOR without delay. We also recommend the county clerk implement internal controls to ensure that affordable housing fees are paid timely.

County Clerk's Response: Affordable housing payment has been issued. A plan of correction has been made and will be submitted to fiscal court for their review and approval.

The Elliott County Clerk did not remit legal process tax payments to the state timely and owes \$1,913: This is similar to a prior year finding and was included in the prior year audit report as Finding 2020-011. The county clerk did not remit payments totaling \$1,913 for legal process taxes during calendar year 2021 to the state. These taxes are collected on legal process and instruments received by the county clerk such as marriage licenses, power of attorney, mortgage, financing statements, deeds, etc.

The county clerk does not have controls in place to ensure that payments are made to the state for legal process tax in a timely manner. As a result, the county clerk did not remit legal process tax timely to the state.

KRS 142.010(3) states, "[t]axes imposed under this section shall be reported and paid to the Department of Revenue by each county clerk within ten (10) days following the end of the calendar month in which instruments subject to tax are filed or marriage licenses issued. Each remittance shall be accompanied by a summary report on a form prescribed by the department."

We recommend that the county clerk implement controls to ensure that legal process tax payments are made to the state timely. In addition, we recommend the county clerk remit the legal process tax due for calendar year 2021 to the state in the amount of \$1,913, without delay.

County Clerk's Response: We have made changes in deputy/clerk responsibilities. Legal process fee has been issued in full.

The Elliott County Clerk did not comply with the county's fee pooling ordinance: This is a repeat finding and was included in the prior year audit report as Finding 2020-009. As depicted

in the following chart, the county clerk did not remit her monthly excess fees timely to fiscal court per the fee-pooling ordinance:

| Excess Fee Month | Date Check Written | Days Late |
|-----------------------------|-------------------------------|------------------|
| January | 3/31/21 | 49 |
| February | 3/31/21 | 21 |
| March | 6/29/21 | 80 |
| April | 6/29/21 | 50 |
| May | 6/29/21 | 19 |
| June | 9/21/21 | 73 |
| July | 9/21/21 | 42 |
| August | 9/21/21 | 11 |
| September | 2/22/22 | 135 |
| October | 2/22/22 | 104 |
| November | 2/22/22 | 74 |
| December | | >230 |

In addition, the county clerk remitted payment for two invoices instead of submitting the invoices to fiscal court for payment.

According to the county clerk, she wanted to ensure she was remitting the correct amount of excess fees which delayed payment timeliness. Also, the county clerk does not have adequate controls to ensure that excess fees are paid timely in accordance with the county fee pooling ordinance. The county clerk thought she was supposed to pay the dues and printing of tax bills from her fee account instead of sending the bills to fiscal court to pay. By not submitting the monthly excess fees to the fiscal court by the tenth of each month as required by Elliott County Fiscal Court Ordinance FY-13-001, the county clerk is not in compliance with the ordinance. In addition, the fiscal court is deprived of these funds for a significant amount of time potentially impacting their budget. Also, the county clerk did not comply with the fee-pooling ordinance by remitting payments from her fee account.

On February 4, 2013, Elliott County Fiscal Court passed Ordinance FY-13-001, which requires the sheriff's office and county clerk's office to participate in fee pooling. Under fee pooling, the sheriff's office and county clerk's office pay net income (excess fees) monthly to the fiscal court, and fiscal court pays all salaries and expenses of those offices. Net income is due no later than the tenth of the month for the preceding month. The expenses of the sheriff's and county clerk's offices shall be paid by the county treasurer in accordance with the purchase order system adopted by the Elliott County Fiscal Court.

We recommend the county clerk comply with the county's fee pooling ordinance by paying excess fees based on calculations from the county clerk's financial records no later than the tenth of the month for the preceding month and implement controls to ensure that excess fees are paid timely. Also, we recommend the county clerk submit any invoices to be paid on behalf of her office to the county treasurer for payment. Per the fee-pooling resolution in place, the only items allowed to be paid from the fee account are refunds to taxpayers, payments to taxing districts, and monthly fees to the fiscal court.

County Clerk's Response: A corrective action is planned and will be submitted to fiscal court for review and approval.

The Elliott County Clerk does not have adequate controls over non-sufficient funds (NSF) checks: The bank returned nine checks from customers for non-sufficient funds (NSF). Of those nine NSF checks, the county clerk did not receive repayment and failed to properly handle follow-up protocol on five of the checks totaling \$1,975. These five checks were not turned over to the county attorney, nor were the services cancelled in AVIS. The county clerk did not have procedures in place to ensure NSF checks are handled properly. As a result, the county clerk remitted payments to districts as if these checks had been collected in essence shorting excess fees to the county. Further, customers received a service without paying for it. When a check is returned as non-sufficient funds, the county clerk should give the notice to the county attorney if the check remains uncollected. If the checks are not turned over to the county attorney, the service needs to be cancelled in AVIS, delinquent tax, etc. We recommend the county clerk ensure that NSF checks are collected, and if not, either turn the check over to the county attorney or cancel the service in AVIS, delinquent tax, etc.

County Clerk's Response: Corrections have been made that are not reflected until the next audit.

The Elliott County Clerk has not settled the 2019 fee account: The county clerk has not settled her 2019 fee account. The county clerk has a balance of \$51,236 in her 2019 fee account, which consist of the following amounts due:

- Kentucky State Treasurer for ad valorem tax in the amount of \$43,901
- Clerk reimbursement in the amount of \$1,594
- Fiscal court in remaining excess fees of \$5,741

As of the audit date, these checks remain outstanding. The state has received the ad valorem check; but it is still in processing waiting on the county clerk to submit documentation explaining why the amount is due. Until these checks clear, this account cannot be settled. The county clerk does not have controls in place to ensure that accounts have been settled in a timely manner. The failure to pay liabilities timely causes taxing districts and other governmental agencies to be deprived of funds for significant time periods.

KRS 64.152 states in part, “(1) In counties containing a population of less than seventy-five thousand (75,000), the county clerk shall provide to the fiscal court by March 15 of each year a complete statement for the preceding calendar year of all funds received by his office in an official capacity or for official services, and of all expenditures of his office, including his salary, compensation of deputies and assistants, and reasonable expenses. (2) At the time of filing the statement required by subsection (1) of this section, the clerk shall pay to the fiscal court any income of his office, including income from investments, which exceeds the sum of his maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants. The settlement for excess fees shall be subject to correction by audit

conducted pursuant to KRS 43.070 or 64.810, and the provisions of this section shall not be construed to amend KRS 64.820.”

We recommend the county clerk settle the 2019 fee account.

County Clerk's Response: The payments were issued to the proper entities, 11/19/22.

The Elliott County clerk has not settled the 2020 fee account: The county clerk has not settled her 2020 fee account. The county clerk has a balance of \$26,121 in her 2020 fee account, which is due an amount from the 2021 fee account in the amount of \$7,809 for a delinquent tax deposit put into the 2021 fee account instead of the 2020 fee account by mistake. Also, the following amounts are due from the 2020 fee account:

- Kentucky State Treasurer for delinquent tax in the amount of \$11,287
- Kentucky State Treasurer for legal process tax in the amount of \$4,697
- Kentucky State Treasurer for affordable housing in the amount of \$4,728
- Fiscal court for remaining excess fees in the amount of \$13,218

As of the audit date, these checks remain outstanding. Until these checks clear, this account cannot be settled. The county clerk does not have controls in place to ensure that accounts have been settled in a timely manner. The failure to pay liabilities timely causes taxing districts and other governmental agencies to be deprived of funds for significant time periods.

KRS 64.152 states in part, “(1) In counties containing a population of less than seventy-five thousand (75,000), the county clerk shall provide to the fiscal court by March 15 of each year a complete statement for the preceding calendar year of all funds received by his office in an official capacity or for official services, and of all expenditures of his office, including his salary, compensation of deputies and assistants, and reasonable expenses. (2) At the time of filing the statement required by subsection (1) of this section, the clerk shall pay to the fiscal court any income of his office, including income from investments, which exceeds the sum of his maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants. The settlement for excess fees shall be subject to correction by audit conducted pursuant to KRS 43.070 or 64.810, and the provisions of this section shall not be construed to amend KRS 64.820.”

We recommend the county clerk settle the 2020 fee account.

County Clerk's Response: The payments were issued to the proper entities, 11/19/22.

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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