



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2021 financial statement of Hancock County Clerk Trina Ogle. 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 Hancock 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 Hancock County Clerk's fourth quarter financial report was materially misstated:** The Hancock County Clerk's fourth quarter financial report that was submitted to the Department for Local Government (DLG) was materially inaccurate when compared to the receipts and disbursements ledgers and to the county clerk's final settlement for calendar year 2021. The receipts per the fourth quarter financial report were overstated by \$38,243 and the disbursements per the fourth quarter financial report were understated by \$37,375. Per discussion with the county clerk, receipts were overstated due to an error made by the Department of Revenue (DOR) on tangible tax payment. In addition, the disbursements were understated due to how the fourth quarter financial report was printed by using payment date for accounts instead of using expense date for accounts. This caused payments made in January 2022 for December 2021 not to be

reflected on the fourth quarter financial report. As a result, the fourth quarter financial report was materially misstated, and the financial information did not reflect an accurate financial accounting of the county clerk's office as reported to DLG.

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 ensure accurate and complete financial reporting. Good internal controls dictate that the financial report would be accurate and complete.

We recommend the county clerk prepare an accurate and complete fourth quarter financial report by reviewing ledgers to ensure all postings are made through the year. We further recommend the county clerk report the unpaid obligations as of December 31 on the fourth quarter financial report in the future to ensure the financial information submitted to DLG and other users is accurate and complete.

*County Clerk's Response: It has been recommended that I report the unpaid obligations as of 12/31 on the 4<sup>th</sup> quarter financial report. In prior audits this has not been an issue. I have not changed the way I prepare my 4<sup>th</sup> quarter report, and I was never told a new procedure had been implemented. I use [software name redacted] accounts payable system which generates a report for the payments processed. Not all payments at the time the quarterly report is due, have been billed or processed so I don't know how I would list them on my quarterly report. I thought the final settlement report, which includes all payments for the prior year, was the report used for audits not the 4<sup>th</sup> quarter report because Fiscal Court approves that report.*

Auditor's Reply: The Department for Local Government's instructions for quarterly reports requires the listing of accounts receivable and unpaid obligations as of the calendar year end for fee officials. The outstanding items that were omitted would be processed and paid prior to the date the fourth quarter financial statement is due. The Hancock County Clerk's fourth quarter financial statement was materially incorrect due to the omission of these items.

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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