



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2022 financial statement of Hickman County Clerk James S. Berry. 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 Hickman 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 Hickman County Clerk's Office does not have adequate segregation of duties:** This is a repeat finding and was included in the prior year audit report as Finding 2021-001. The Hickman County Clerk's Office does not have adequate segregation of duties. The county clerk preforms all the accounting and reporting functions of the office. According to the county clerk, the chief deputy agrees amounts posted to the ledgers to daily, weekly, and monthly reports. This is the best possible solution without hiring more employees. A lack of segregation of duties or strong oversight increases the risk that errors or fraud could occur and not be detected.

A proper segregation of duties over the accounting and reporting functions or implementing compensating controls, when necessary because of a limited number of staff, is essential for

providing protection from errors occurring and not being detected. Additionally, a proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the county clerk's office implement a strong internal controls system which includes requiring certain accounting functions be performed by different employees to provide reasonable assurance the financial activity is properly accounted for and accurately reported.

*County Clerk's Response: With 2 employees, the do daily check out and the chief deputy will also recheck and she also will do monthly reports and quarterly reports. For this small office I feel we do everything possible to make this office as efficient and responsible as we can.*

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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