



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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2021 financial statement of Hopkins County Clerk Keenan Cloern. 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 Hopkins 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 Hopkins County Clerk failed to include storage fees in excess fee payments:** This is a repeat finding and was included in the prior year audit report as Finding 2020-001. The Hopkins County Clerk failed to properly handle and remit document storage fees received during the calendar year 2021. These fees were kept in a separate bank account throughout the year. During calendar year 2021, the county clerk spent \$1,072 of the fees, which is a violation of the Hopkins County Clerk's fee-pooling resolution in effect at the time of the expenditures. In December 2021, the Hopkins County Fiscal Court passed a resolution allowing the clerk to keep and expend the document storage fees on an annual basis, then turn over any residual funds as excess fees. As of December 31, 2021, there were \$96,268 of document storage fees remaining in the account. The county clerk spent \$96,268 of these funds on March 9, 2022, rather than remitting the money to the fiscal court as required.

According to the county clerk, she thought this new fee was intended for county clerk's offices and they got to keep the fees in house. After the prior year audit, the county clerk worked with the fiscal court to approve a resolution to allow her to keep the fees on an annual basis. The county clerk thought she had obtained permission from the fiscal court for the March 2022 disbursement, but this was not documented or verified by the fiscal court. Since the county clerk failed to properly remit storage fees, the county clerk's excess fees were understated, and the fiscal court was denied resources that could have been used to provide services to taxpayers. In addition, the storage fees spent during the calendar year were not in compliance with the Hopkins County Clerk's fee-pooling resolution effective when the disbursements were made.

Strong internal controls require management to monitor disbursements to ensure compliance with the fiscal court resolutions. The Hopkins County Clerk's fee-pooling resolution states, "In order to operate under the true intent of a fee pooling arrangement, the County Clerk will submit all expenditures for payment. The County Clerk may, however, out of his fee account, directly and without fee pooling or Fiscal Court approval, pay for any expenses related to postage for election materials and postage for passports."

The Hopkins County Document Storage Fee Resolution dated December 21, 2021 states, "Now therefore be it resolved that the Hopkins County Clerk shall use annual funds from document storage fees for County Clerk office purposes on a yearly basis, January through December, and the clerk shall turn over to the Hopkins County Fiscal Court any unused funds no later than February 15<sup>th</sup> of the next year. Further the County Clerk shall keep document storage fees in a separate checking account."

We recommend the calendar year 2022 fee account reimburse the calendar year 2021 fee account \$96,268 for unpaid excess fees. The county clerk should in turn remit these funds to the fiscal court as calendar year 2021 excess fees as they were due to be paid to the fiscal court by February 15, 2022.

*County Clerk's Response: On numerous occasions and in open fiscal court meetings, the County Clerk and administration agreed that County Clerk Document Storage Fee monies collected in 2021 would be applied toward new voting equipment instead of being turned over to the Hopkins County general fund, payable to [vendor name redacted], in order to off-set costs to Hopkins County Fiscal Court. During this process, it failed to get documented in fiscal court minutes. As a result, it was documented in the 2021 County Clerk Fee Audit.*

*Per recommendation of the county clerk audit, on August 16, 2022, Hopkins Fiscal Court reimbursed the County Clerk in the amount of \$96,268.06 that was spent on voting machines. On August 18, 2022, the county clerk deposited the check and it will be paid back to Hopkins Fiscal Court in excess fees.*

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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