



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Agreed-Upon Procedures Engagement of Johnson County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2022 agreed-upon procedures engagement of Johnson County Clerk Sallee Holbrook. State law requires the auditor to conduct annual audits of county clerks and sheriffs.

In 2018 the Kentucky General Assembly, following a recommendation by the State Auditor, passed legislation that allows county sheriffs and clerks that met certain criteria to apply for an Agreed-Upon Procedures (AUP) engagement in lieu of an audit of their fee account. The intent of the change, which became effective in July 2018, was to reduce audit costs for sheriffs and clerks that have a history of clean audits, while still maintaining an appropriate level of accountability.

The Johnson County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2022 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. Auditors performed the procedures, which were agreed to by the Johnson County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2022 through December 31, 2022.

The following exceptions were identified during the AUP engagement:

- **The county clerk's fourth quarter financial statement did not agree to the county clerk's receipts and disbursements ledgers. Receipts varied by \$39,035.**

County Clerk's Response: The Storage Document fee of \$10.00 is included in Land Recordings and a Storage fee line on the General Ledger. On the Quarterly and Financial Statement, it is only in the Storage fee line and not the Land recordings. Example: Our office took in 154 Mortgages

in 2022. The \$10.00 per document storage fee was included in the Mortgage line and Storage fee line on the General Ledger, but on the Quarterly it was only in the Storage fee line. So, with 154 Mortgages x \$10.00 = \$1,540.00 which is the discrepancy between the General Ledger and Quarterly. This also applies to the other recordings (Deeds, Leases, etc.). These amounts make up the discrepancies. It is a problem with our software vendor. I have contacted them and asked for the issue to be fixed so that the General Ledger and Quarterly will match.

- **Excess fees due to the fiscal court were recalculated and the county clerk overpaid excess fees due to the fiscal court by \$1,141.**

County Clerk's Response: The remaining balance paid to the Fiscal Court were uncashed checks paid to Vol Fire Depts. The checks were voided in our system, a cashiers check was gotten from the bank for the remaining amount and paid to fiscal court. The account was then closed.

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 agreed-upon procedures report can be found on the [auditor's website](#).

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