



Auditor of Public Accounts
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Ball Releases Audit of LaRue County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2022 financial statement of LaRue County Clerk Rhonda Metcalf. State law requires the auditor to conduct annual audits of county clerks.

The LaRue County Clerk's financial statement does not present fairly in accordance with the accounting principles generally accepted in the United States. The financial statement presents fairly in accordance with the regulatory basis of accounting generally accepting in Kentucky.

The audit contains the following findings:

The LaRue County Clerk's Office does not have adequate segregation of duties: The county clerk performs several tasks that should be separated in order to mitigate errors or fraud. Incompatible duties include approval, custody of assets (i.e., cash), record keeping, and account/report reconciliations.

We recommend the county clerk's office separate duties over receipts, disbursements, and reconciliations. If these duties cannot be separated, detailed supervisory review of these activities should be implemented to reduce risk.

County Clerk's Response: We are a small office and I have segregated duties between all my employees. All performed duties are checked over by at least one other employee.

The LaRue County Clerk's Office's fourth quarter report and ledgers were materially misstated: Receipts and disbursements were not categorized properly, and all receipts and disbursements were not included. Several issues were noted with the county clerk's financial report and ledgers.

We recommend the county clerk's office implement stronger internal controls over the financial reporting process to ensure amounts reported are accurate. This review should include tracing transactions posted to the receipts and disbursements ledgers to actual bank statement transactions.

County Clerk's Response: [Software name redacted], our accounting company, handles how expenses are categorized on the quarter report.

The LaRue County Clerk's Office did not remit excess fees to the fiscal court timely: The LaRue County Clerk presented the original annual settlement to the fiscal court for approval but did not remit excess fees. The county clerk remitted excess fees of \$235,130; however, the county clerk still owes additional excess fees of \$1,800 to the fiscal court for calendar year 2022.

We recommend the county clerk remit excess fees to the fiscal court by March 15 each year. Further, we recommend the county clerk remit the remaining excess fees of \$1,800 to the fiscal court for calendar year 2022.

County Clerk's Response: The previous auditor had me wait until the audit was complete before remitting excess fees to Fiscal Court.

The LaRue County Clerk's Office did not follow delinquent tax sale requirements: The county clerk's office collected deposits totaling \$234,961 from third party purchasers of priority and current tax bills in advance of the delinquent tax sale. The county clerk did not deposit purchaser's deposits and registration fees into an official bank account when received. Instead, the county clerk remitted these deposits to her fee account on the date of the tax sale.

We recommend the county clerk require third party purchasers to make deposits for tax bills they wish to purchase and implement internal controls to ensure third party purchasers' deposits and registration fees received are deposited promptly into her official bank account.

County Clerk's Response: My 2021 audit was not completed until after my delinquent tax sale for 2022. I was not aware of how they wanted it conducted until after the sale. It was corrected for the 2023 audit.

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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