



Auditor of Public Accounts
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Harmon Releases Audit of Former Meade County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2022 financial statement of former Meade County Clerk Judy Jordan. 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 former Meade County Clerk in accordance with accounting principles generally accepted in the United States of America. The former clerk's financial statement did not follow this format. However, the former 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 former Meade County Clerk's Office did not have segregation of duties over payroll: The former county clerk prepared and signed payroll checks, but there was no documentation of review when compared to the timecards and payroll summary reports. Further payroll checks did not require dual signatures.

The former county clerk did not have segregation of duties or compensating controls in place over the payroll process. Without proper segregation of duties, the risk of undetected material misstatement significantly increases due to errors and theft.

Strong internal controls and procedures are vital to ensure proper segregation of duties over the payroll process. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities. If duties are not segregated, effective compensating controls should be maintained and documented.

We recommend the county clerk's office segregate controls over payroll. If these duties cannot be segregated, then strong oversight should be provided to the employee responsible for these duties. Examples of compensating controls include, but are not limited to, timecards and payroll summary reports should be reviewed and initialed by a different employee than who prepared the checks to verify accuracy when compared to the payroll checks.

Former County Clerk's Response: The former official did not provide a response.

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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