



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Washington County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2021 financial statement of Washington County Clerk Teresa Marrinan. 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 Washington 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 comment:

The Washington County Clerk does not have adequate segregation of duties over reconciliations: The Washington County Clerk's office does not have adequate segregation of duties over monthly bank reconciliations and has not implemented adequate controls. There is one employee who completes the bank reconciliation at the end of each month. There was no documentation of review on the bank reconciliation or bank statement. Also, it was noted that there was no bank reconciliation completed for the usage bank account. The county clerk does not have segregation of duties over reconciliations as part of internal controls for the office. 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 collection, reporting, depositing, and reconciling receipts, and

disbursements. 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 segregate controls over reconciliations. If these duties cannot be segregated, then strong oversight should be provided to the employee responsible for these duties. The bank reconciliation should be documented and initialed after review when compared to the bank balance.

County Clerk's Response: The 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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