



Auditor of Public Accounts
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Harmon Releases Agreed-Upon Procedures Engagement of Anderson County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2018 agreed-upon procedures engagement of Anderson County Clerk Jason Denny. 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 Anderson County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2018 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 Anderson County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2018 through December 31, 2018.

The following exception was identified during the AUP engagement:

- **The county clerk's agreements and contract payments did not agree to cost schedules.** Services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were disclosed properly on the fourth quarter financial statement.

Clerk's Response: We were only billed for 3 of the 4 payments from [the vendor] for the postage meter. Contacted company and they said we are paid in full. I provided proof to the Auditor.

Auditor's Reply: The 2018 invoices provided by the county clerk showed \$78 due and paid by the county clerk for three quarterly payments. The contract showed a fourth quarterly payment of \$78 due, which was not billed by the vendor or paid by the county clerk.

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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