



Auditor of Public Accounts  
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**Harmon Releases Audit of Breckinridge County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Breckinridge County Clerk Jill Irwin. 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 Breckinridge 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 non-compliance 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 Breckinridge County Clerk's Office lacks segregation of duties over receipts, disbursements, and reconciliations.** The Breckinridge County Clerk's bookkeeper performs numerous duties dealing with receipts, disbursements, and reconciliations. The bookkeeper is responsible for the preparation of the daily deposits, preparation of checks, and reconciliation of receipts and disbursement journals. He is also responsible for the preparation of monthly reports and the reconciliation of all bank statements.

The lack of segregation of duties existed over accounting functions of the county clerk's office because a limited number of employees were available to properly segregate these job duties.

A lack of segregation of duties could result in the undetected misappropriation of assets and inaccurate financial reporting to external agencies such as the Department for Local Government.

A segregation of duties over receipts and disbursements activities and reconciliations or implementation of compensating controls, when needed because of the number of staff is limited, is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

The county clerk should properly segregate the duties over bookkeeping functions in order to help prevent undetected misappropriation of assets and inaccurate financial reporting and to adequately protect employees in the normal course of performing their daily responsibilities. If these duties cannot be separated, strong documented oversight over these areas should be provided.

*County Clerk's Response: No 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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