



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Agreed-Upon Procedures Engagement of Caldwell County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2020 agreed-upon procedures engagement of Caldwell County Clerk Toni Watson. 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 Caldwell County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2020 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 Caldwell County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020.

The following exceptions were identified during the AUP engagement:

- **The county clerk prepared 12 monthly delinquent tax reports. Disbursements agreed to the monthly report for the month tested; however, payments were not made timely.**

County Clerk's Response: Due to covid and being short-staffed I was late on this month but I always contact appropriate Revenue depts. Will start attaching e-mails to my reports. An on-site audit would have helped with this procedure.

Auditor's Reply: We are not part of the clerk's process for paying delinquent tax payments timely.

- **Payroll charges were properly supported by timesheets. Timesheets were maintained by the county clerk; however, they were not approved.**

County Clerk's Response: I usually initial all time cards. Apparently I did not the week the auditor chose. My payroll does not go to the County.

- **The county clerk was paid \$90,262. The statutorily required salary was \$90,562.**

County Clerk's Response: \$300 error made when figuring raise. Was paid from 2020 funds in 2021. Auditor received full documentation.

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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