



Auditor of Public Accounts  
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### Harmon Releases Audit of Jessamine County Clerk's Fee Account

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2019 financial statement of Jessamine County Clerk Johnny Collier. 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 Jessamine 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:

**A Jessamine County Clerk employee altered social security numbers to avoid delinquent tax obligations:** Employees in county clerk offices are allowed to change the social security numbers (SSN) associated with a vehicle for valid reasons, including divorces and changing from joint ownership to sole ownership. KYTC stated all county clerks are aware that an individual cannot sell, transfer, or renew a vehicle that has delinquent taxes and that changing a SSN to avoid paying property taxes is illegal.

There were eight instances where SSN were changed without supporting documentation in Jessamine County. Five of these instances were determined to be improper.

- One employee changed the SSN on her vehicle registration. She also changed the SSN on both of her daughters' vehicle registrations twice. This employee inappropriately changed these five SSN in order to avoid delinquent tax obligations.
- This same employee changed a SSN on another taxpayer's vehicle registration without supporting documentation.
- Two other employees each changed one SSN on a taxpayer's vehicle registration without supporting documentation.

The county clerk did not have internal controls in place to ensure SSNs were only altered for valid reasons. Failure to ensure controls are in place at the point of data entry to prevent altering SSN, and a lack of a periodic review process for changes that do occur, could result in violations of KRS 186.021(1).

KRS 186.021(1) states in part, "...a county clerk shall not issue a replacement plate, decal, or registration certificate as provided in KRS 186.180, or a registration for renewal to any person who on January 1 of any year owned a motor vehicle on which state, county, city, urban-county government, school, or special taxing district ad valorem taxes are delinquent."

We recommend the Jessamine County Clerk implement controls to ensure SSN are only altered for valid reasons. We further recommend he develop a process to periodically review SSN changes in AVIS until KAVIS is fully implemented. Lastly, we recommend he require employees to scan supporting documentation for any changes to a taxpayer's SSN in AVIS/KAVIS. This finding was referred to the Kentucky Office of the Attorney General.

*County Clerk's Response: SS fraud was reported to Revenue and State Auditor who then contacted Attorney General's office. The case has been resolved.*

*Steps taken: When County Clerk was aware of problem, precautions were immediately taken and put in place. All SS# changes must be approved and have correct documentation, and scanned into computer. On AVIS each morning all line items are checked and attach correct paperwork for report.*

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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