



Auditor of Public Accounts
Mike Harmon

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Contact: Michael Goins
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Harmon Releases Audit of Morgan County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2019 financial statement of Morgan County Clerk Randy Williams. 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 Morgan 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 county clerk's office does not have sufficient internal controls over payroll: This is a repeat finding and was reported in the prior year audit report as Finding 2018-001. The county clerk requires full-time deputies to maintain time cards. Time cards are submitted to the county clerk, who reviews and processes payroll. The county clerk does not initial or sign to document his review of the time cards.

These deficiencies occurred due to lack of internal controls over the payroll process. By not signing off on the time cards, there is no documentation that the county clerk reviewed and approved the hours worked or leave time. Good internal controls dictate time cards should be reviewed for accuracy by an immediate supervisor and recalculated by someone other than the

preparer. Good internal controls would also require signatures of employees and supervisors to document time worked was agreed to by both parties.

We recommend that the county clerk and employees initial or sign all time cards to verify the accuracy of the time worked and leave used.

County Clerk's Response: I have a check sheet that I date and sign for payroll each month to verify I reviewed and I included that with each payroll month January - August and did not for September - December. I will correct in 2020.

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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