



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2020 agreed-upon procedures engagement of Washington County Clerk Teresa Marrinan. 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 Washington 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 Washington 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 did not have a settlement of excess fees that was approved by the fiscal court.**

County Clerk's Response: We did turn over excess fees to fiscal court by the March 15th deadline, and prepare the 4th quarter report, that was signed by the county judge and sent to DLG. We were

unaware that we needed to prepare a settlement statement to present to fiscal court with the excess fees. This will be done in the future.

- **The county clerk performed monthly bank reconciliations for the fee account. However, the county clerk did not perform monthly bank reconciliations for the usage account or the grant account.**

County Clerk's Response: We will perform the monthly bank reconciliations for the usage tax account in future. The grant account funds have been paid and the remaining balance is \$43.00.

- **Excess fees due to the fiscal court were recalculated and there are \$2,514 additional excess fees due to the fiscal court.**

County Clerk's Response: We retain a balance in the fee account for the year being audited, until the final audit is complete, we will turn over the additional excess fees in the amount of \$2,523.31 to fiscal court.

- **Payroll charges are properly supported by timesheets. Approved timesheets were maintained by the county clerk. However, there were two employees that were treated as contract labor incorrectly.**

County Clerk's Response: We had 2 employed as contract labor, they were hired to help when the office opened back up after being closed for COVID to help with cleaning and customer social distancing. We will no longer hire contract labor.

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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