



Auditor of Public Accounts
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Edelen Releases Audit of Menifee Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the 2014 financial statement of Menifee County Clerk Brenda Carty. State law requires the auditor to conduct annual audits of county clerks and sheriffs.

Recent changes in auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the revenues, expenditures and excess fees of the Menifee County Clerk in accordance with generally accepted accounting principles in the United States. The report found that the financial statement of the Clerk 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 County Clerk's office lacks adequate segregation of duties. All employees of the former County Clerk's office collected receipts. Also, the County Clerk prepared the daily checkout sheets, bank deposits, and posted items to the receipts ledger. The County Clerk prepared and recorded disbursements and the County Clerk reconciled the bank account. Good internal controls dictate that the collection of receipts, recording of transactions, and bank reconciling duties be segregated. If a segregation of duties is not feasible, compensating controls should be implemented. Implementing the following procedures could have strengthened controls:

- An employee independent of the cashier functions could be appointed to open mail and prepare a receipts listing.

- The employee responsible for bookkeeping functions, bank reconciliations, and comparing mail receipts to deposit slip should not have access to cash.
- Employees authorized to sign checks should be independent of report preparation, approval of payments, and purchasing and receiving.

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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