Auditor of Public Accounts
Mike Harmon

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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2018 agreed-upon procedures engagement of Whitley County Clerk Kay Schwartz. 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 Whitley County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2018 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 Whitley County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2018 through December 31, 2018.

The following exceptions were identified during the AUP engagement:

- **One selected disbursement did not have supporting documentation from the vendor. Disbursements were for official business. Credit card disbursements were for official business.**

County Clerk's Response: Clerk has corrected this issue.

- **Excess fees due to fiscal court were recalculated and do not agree to the actual bank balance. There is $4,684 in additional excess fees due to the fiscal court.**

County Clerk's Response: This variance is due to our Insurance Escrow Account. Will take the recommendation of Auditor to transfer by end of year.

- **The county clerk's lease agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not properly disclosed on the fourth quarter financial statement.**

County Clerk's Response: Will take recommendation of Auditor.

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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