



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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Bell County Clerk Debbie Gambrel. 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 Bell 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 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 comments:

The county clerk did not present an annual settlement of excess fees to the fiscal court and did not pay excess fees in a timely manner. Furthermore, the clerk's fourth quarterly report submitted to the Department for Local Government was not accurate. The clerk failed to follow applicable statutes that require county clerks to present an annual settlement and excess fees to the fiscal court. As a result, the clerk was not in compliance with KRS 64.152.

KRS 64.152(1) states, in part, “. . . the county clerk shall provide to the fiscal court by March 15 of each year a complete statement for the preceding calendar year of all funds received by his office in an official capacity or for official services, and of all expenditures of his office. . . .” Also, KRS 64.152(2) states, in part, “[a]t the time of filing the statement required by subsection (1) of this section, the clerk shall pay to the fiscal court any income of his office, including income from

investments, which exceeds the sum of his maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants.”

We recommend the Bell County Clerk ensure compliance with KRS 64.152 by presenting an annual settlement and paying excess fees to the fiscal court by March 15.

County Clerk’s response: Our 4th quarter report was submitted to Department for Local Government before proper due date. We submitted 2015 excess fees to fiscal court June 14, 2016. We were not aware the annual settlement and excess fees had to be submitted to fiscal court by March 15th. We will submit these to Fiscal Court in timely manner in the future.

The county clerk spent fee receipts on disallowed disbursements. During calendar year 2015, the county clerk purchased advertisements in local school sports programs totaling \$175. These advertisements were primarily personal in nature. These disbursements occurred due to a lack of understanding by the clerk of what disbursements are allowable from the clerk’s official fee account. As a result, excess fees due and paid to the fiscal court were reduced by \$175.

In Funk v. Milliken, 317 S.W. 2d 499 (Ky. 1958), Kentucky’s highest court ruled that county fee officials’ disbursements of public funds will be allowed only if they are necessary, adequately documented, reasonable in amount, beneficial to the public, and not primarily personal in nature. We recommend the Bell County Clerk reimburse the 2015 fee account \$175, which will then be due to the fiscal court as additional excess fees.

County Clerk’s response: I, Debbie Gambrel, have reimbursed the 2015 clerk’s office fee account \$175.00 from my personal checking account for disallowed office advertisements supporting local schools, boosters and local events (KMLF).

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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