



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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

Harmon Releases Audit of Boyle County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Boyle County Clerk Trille Bottom. 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 Boyle 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 comment:

The county clerk did not prepare franchise tax bills totaling \$498,492. The county clerk did not prepare 55 franchise tax bills totaling \$498,492. The county clerk should prepare franchise bills upon receipt of the state assessment certification and promptly give to the sheriff to mail. KRS 133.220(2) requires the county clerk to prepare tax bills and in part, states "the county clerk shall prepare for the use of the sheriff...a correct tax bill for each taxpayer in the county." The county clerk failed to perform this duty. By not preparing the franchise tax bills and submitting them to the sheriff to collect, the county, school, and other taxing districts did not receive the tax revenues they were entitled to. These tax districts rely on the timely receipt of tax revenues, and by the county clerk neglecting her duties, the tax districts' budgets and cash flows were negatively affected. The share of the unbilled franchise taxes for each taxing district is as follows:

County	\$48,422
School	\$250,110
Library	\$59,353
Health	\$17,577
Extension	\$51,016
Soil	\$1,359 (new district for 2015)
Fire	\$22,127
City	\$48,528

We recommend the county clerk prepare the 55 franchise tax bills that have not been prepared and ensure franchise bills are prepared and submitted to the sheriff, timely in the future. We are referring this matter to the Department of Revenue.

County Clerk's response: An administrative assistant has been hired and a new franchise software is being installed to handle bills more efficiently and effectively.

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](#).

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.

