



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

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### **Harmon Releases Audit of Former Cumberland County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the August 1 – December 31, 2022 financial statement of former Cumberland County Clerk Elizabeth Anderson. 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 former Cumberland County Clerk in accordance with accounting principles generally accepted in the United States of America. The former clerk's financial statement did not follow this format. However, the former 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 noncompliance 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 finding:

**The former Cumberland County Clerk's Office did not have adequate segregation of duties over receipts, disbursements, and reconciliations:** The former county clerk's office did not have segregation of duties over cash, receipts, disbursements, and the reconciliation process. The former county clerk collected receipts, helped with the preparation of deposits and daily checkout sheets, printed, and signed checks, and completed monthly and quarterly reports. In addition, she posted to the ledgers and reconciled the bank statements monthly.

According to the former county clerk, this condition was a result of a limited budget, which restricted the number of employees the former county clerk could hire or delegate duties to. The

lack of oversight could have resulted in the undetected misappropriation of assets or inaccurate financial reporting to external agencies, such as the Department for Local Government (DLG).

The segregation of duties over various accounting functions such as preparing deposits, preparing daily checkout sheets, and issuance of cash receipts, is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the county clerk's office adequately segregate duties to prevent the same person from having a significant role in the receiving process, recording, and reporting of receipts and disbursements. If this is not feasible, then cross checking procedures could be implemented and documented by the individual performing the procedure.

*Former 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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