



Auditor of Public Accounts
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Harmon Releases Agreed-Upon Procedures Engagement of Fulton County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2020 agreed-upon procedures engagement of Fulton County Clerk Naomi Jones. 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 Fulton County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2020 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 Fulton County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020.

The following exception was identified during the AUP engagement:

- **The county clerk's operating disbursements were compared to the county clerk's approved budget, and the county clerk over spent her operating budget by \$12,664.**

County Clerk's Response: The County Clerk's Office received 3 grants during FY 2020. Initially the monies were put into the fee account to show they were received, then the funds were transferred to a grant account to keep separate from regular operating funds. As these grant funds were spent,

the clerk would transfer these funds from the grant account, to the fee account, to disburse. (The grant account didn't have any checks) The County Clerk was unaware that this would need to be reflected on a budget amendment. All receipts for the grant funds, and all funds were handled separately to have a clear audit trail.

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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