



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

**Contact: Michael Goins**  
[Michael.Goins@ky.gov](mailto:Michael.Goins@ky.gov)  
**502.564.5841**  
**502.209.2867**

**Harmon Releases Audit of Graves County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Graves County Clerk Barry Kennemore. 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 Graves 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 Graves County Clerk did not reconcile accounts receivable subsidiary ledgers to the fee ledgers.** The Graves County Clerk allows customers to charge for services provided by the clerk's office. For calendar year 2015, total charge business exceeded \$967,000. The clerk relies on the point of sale system to account for all customer charges; however, individual charge accounts on the point of sale system are not reconciled to the total amount of charges recorded on the clerk's ledgers. This could lead to customers receiving services without settling their account. Accounts receivable are vulnerable to manipulation and should be accounted for by each individual account and reconciled to the total account balance. Subsidiary ledgers are needed to account for these charges to ensure the correct amounts being reported. We recommend the Graves County Clerk strengthen controls over accounting for these charges by developing a written policy regarding

charges and maintaining subsidiary records for each customer that are reconciled to the clerk's ledgers on a monthly basis.

*County Clerk Barry Kennemore's Response: "We will improve our procedures concerning customer charges."*

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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