



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Leslie County Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2017 financial statement of Leslie County Clerk James Lewis. 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 Leslie 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 noncompliance with laws, regulations, contracts, and grants. The auditor must also comment on material weaknesses involving internal control over financial operations and reporting.

The audit contains the following comment:

The Leslie County Clerk did not transfer condemnation funds to the Kentucky State Treasury: This is a repeat finding and was included in the prior year audit report as Finding 2016-001. The Leslie County Clerk has been maintaining a bank account for retention of unclaimed funds as a result of property condemnation for more than seven years. The original owner is deceased, and as of the audit report date, no family member has claimed the funds. According to the clerk, he has attempted to submit the funds through the state treasury's online application, but has not successfully completed the application process.

Funds have not been submitted to the state treasury resulting in the clerk being out of compliance with KRS 393.050. KRS 393.050 states, "when a person owning any property having a situs in this state is not known to be living for seven (7) successive years, and neither he nor his heirs,

devises, or distributees can be located or proved to have been living for seven (7) successive years, he shall be presumed to have died without heirs, devisees, or distributees, and his property shall be liquidated and the proceeds . . . shall be paid to the department [Kentucky State Treasury].” We recommend the Leslie County Clerk comply with KRS 393.050 by transferring condemnation funds to the Kentucky State Treasury.

County Clerk’s Response: The funds have been transferred to the State Treasurer.

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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