



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Meade County Clerk Judy R. Jordan. 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 Meade 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's office lacks segregation of duties over bank reconciliations.** The county clerk is responsible for preparing daily deposits, preparing and signing checks, posting to receipts and disbursements ledgers, and preparing monthly bank reconciliations. This condition is the result of a limited budget, which restricts the number of employees the county clerk can hire or delegate duties to. A lack of segregation of incompatible duties or strong oversight increases the risk of undetected errors. Proper segregation of duties over the accounting and reporting functions, such as preparation of bank reconciliation reports, or implementing compensating controls when necessary because of a limited number of staff, is essential for providing protection from undetected errors. Additionally, a proper segregation of duties protects employees in the normal course of performing their daily responsibilities. The county clerk should separate the duties involved in receiving cash, preparing

deposits, writing checks, posting to ledgers, and preparing monthly bank reconciliations. If this is not feasible due to a limited budget, cross-checking procedures could be implemented and documented by the individual performing the procedure by initialing and dating the bank reconciliations.

*County Clerk's response: Though there four of us that prepare daily deposit, checking behind each other, and having the capability of writing checks, I am the only one who performs the monthly bank reconciliation. This will change immediately, I will be training 1-2 of my deputies in this task.*

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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