



Auditor of Public Accounts  
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FOR IMMEDIATE RELEASE

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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2017 financial statement of Robertson County Clerk Joanie Jolly. 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 Robertson 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 county clerk's office lacks adequate segregation of duties:** This is a repeat finding and was included in the prior year audit report as Finding 2016-001. The county clerk's office lacks adequate segregation of duties over the accounting and reporting functions of the clerk's office. The county clerk is responsible for receiving cash, preparing daily deposits, preparing and signing checks, posting to receipts and disbursements ledgers, preparing monthly bank reconciliations and also comparing the weekly, monthly, and quarterly reports to the ledgers. According to the clerk, this is a 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 duties increases the risk of undetected errors.

A proper segregation of duties over the accounting and reporting functions, such as preparation of the quarterly reports, or implementing compensating controls when necessary because of a limited number of staff is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, a proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the county clerk separate the duties involved in receiving cash, preparing deposits, writing checks, posting to ledgers, preparing monthly bank reconciliations, and comparing financial reports to ledgers. If this is not feasible due to a limited budget, independent cross-checking procedures should be implemented and documented by the individual performing the procedure.

*County Clerk's Response: Due to the size of our office we only have 1 full-time deputy and one part-time deputy. We try to have all bank statements and deposits checked by someone else in the office. We will try to implement more measures to adequately check our work each day.*

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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