



ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

July 31, 2024

Senator Chris McDaniel, Co-Chairman
Representative Jason Petrie, Co-Chairman
Interim Joint Committee on Appropriations & Revenue

Dear Co-Chairs and Members:

This report is provided in accordance with House Bill 6 of the 2024 Regular Session, which provides funding for the Outlier Audit Assistance “OAA” Program. For every audit qualifying for a disbursement under the OAA Program, HB 6 further directs the Auditor of Public Accounts to provide this Committee with a report detailing the reason for the outlier expense.

This OAA Program is designed to assist counties when a county clerk or sheriff’s audit, conducted pursuant to KRS 43.070(1)(a)2., costs more than 150% of the average cost for an audit of that type. The impetus for the program was a recognition that fiscal courts are ultimately responsible for paying the cost of these audits, although they have limited ability to control the operations of the county clerk or sheriff’s office, and these fiscal courts were faced with larger costs than they would have reasonably expected when budgeting. As this report will reflect, these higher-than-average costs can occur for a variety of reasons.

This report will cover the audits qualifying for disbursement under the program that were billed during fiscal year 2023-2024.

Please do not hesitate to contact my office should you have questions or require additional information regarding the OAA Program.

Sincerely,

A handwritten signature in cursive script that reads "Allison Ball".

Allison Ball
Auditor of Public Accounts



A. Introduction

The Outlier Audit Assistance (OAA) Program was established and funded pursuant to the following language of House Bill 1 of the 2022 Regular Session:

Outlier Audit Assistance Program: Included in the above General Fund appropriation is \$500,000 in fiscal year 2022-2023 and \$250,000 in fiscal year 2023-2024 to support the establishment of the Outlier Audit Assistance Program. Beginning with fiscal year 2018-2019, the Auditor of Public Accounts shall calculate the annual average cost of audits conducted pursuant to KRS 43.070(1)(a)2. by audit type. Beginning with audits billed during fiscal year 2019-2020 or thereafter, any such audit with a cost exceeding the threshold of 150 percent of the average cost for its type in the preceding fiscal year shall be deemed an outlier audit. If a county has paid the cost of the outlier audit up to the amount of the threshold set out in this subsection, the county shall be eligible for a credit from the Outlier Audit Assistance Program for audit costs that exceed the threshold. For every audit qualifying for disbursement, the auditor shall provide a detailed report for the reason for the outlier expense to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year. Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.

Funds continued to be appropriated for the fiscal year 2024-2025 in the amount of \$250,000 to support the Outlier Audit Assistance Program.

As noted in the preceding letter, the program is designed to assist county governments when they are faced with higher-than-average audit costs related to the mandatory annual audits of their county clerk or sheriff.

B. Eligible Audit Types

The OAA Program applies to audits conducted pursuant to KRS 43.070(1)(a)2., which includes the following audit types and their corresponding abbreviations used in this report:

- County Clerks' Fee Audit (FEC)
- Sheriffs' Fee Audit (FES)
- Sheriffs' Tax Settlement Audit (STS)

An "I" or "O" preceding the abbreviation indicates the audit involved an "incoming" or "outgoing" official, respectively.

FEC and FES audits are performed annually on a calendar year basis. STS audits are also performed annually, and the audit covers a set period of time in which ad valorem taxes were collected.

C. Calculation of Average

As directed in the establishing language for the program, the Auditor of Public Accounts has calculated the following as the annual average costs by audit type beginning with fiscal year 2018-2019. The chart below reflects both the average amount by audit type and the 150% threshold amount that must be paid by the county to trigger eligibility for OAA Program funds:

	<u>Average Cost</u>	<u>150% Of The The Average</u>
FY19 Billed Clerk Fee Audits	\$ 10,887.36	\$ 16,331.04
FY20 Billed Clerk Fee Audits	\$ 11,421.17	\$ 17,131.75
FY21 Billed Clerk Fee Audits	\$ 10,829.59	\$ 16,244.38
FY22 Billed Clerk Fee Audits	\$ 10,878.76	\$ 16,318.14
FY23 Billed Clerk Fee Audits	\$ 4,771.73	\$ 7,157.60
FY24 Billed Clerk Fee Audits	\$ 5,739.70	\$ 8,609.56
FY19 Billed Sheriff Fee Audits	\$ 11,961.02	\$ 17,941.53
FY20 Billed Sheriff Fee Audits	\$ 13,501.86	\$ 20,252.80
FY21 Billed Sheriff Fee Audits	\$ 10,816.52	\$ 16,224.77
FY22 Billed Sheriff Fee Audits	\$ 11,213.08	\$ 16,819.62
FY23 Billed Sheriff Fee Audits	\$ 5,494.85	\$ 8,242.27
FY24 Billed Sheriff Fee Audits	\$ 5,054.13	\$ 7,581.19
FY19 Billed STS Audits	\$ 11,593.02	\$ 17,389.53
FY20 Billed STS Audits	\$ 11,532.14	\$ 17,298.21
FY21 Billed STS Audits	\$ 10,153.39	\$ 15,230.09
FY22 Billed STS Audits	\$ 9,728.34	\$ 14,592.52
FY23 Billed STS Audits	\$ 5,677.70	\$ 8,516.54
FY24 Billed STS Audits	\$ 4,716.51	\$ 7,074.76

Please note that average audit costs calculated for FY23 and FY24 are based on a 50% of cost billing rate, while costs for other fiscal years are based on a 100% of cost billing rate.

D. Audits Eligible for OAA Program Credits as of July 1, 2024

The following chart reflects the audits released and billed during FY2024 that meet the criteria established to be eligible for a credit under the OAA Program. The applicable credits may be awarded from the \$250,000 appropriated for the program in FY2025, so long as the threshold payments are met to qualify for receipt of OAA Program credits.

County	Audit Type	Audit Year	Audit Release Date	Amount Billed	150% Of The Average Bill	Eligible Credit Per Audit
BALLARD	FEC	2022	12/14/2023	\$ 9,499.41	\$ 7,157.60	\$ 2,341.81
BOONE	FES	2022	3/25/2024	\$ 12,895.33	\$ 8,242.27	\$ 4,653.06
BOYD	STS	2021	6/14/2023	\$ 9,327.08	\$ 8,516.54	\$ 810.54
BOYD	FES	2022	5/15/2024	\$ 9,009.11	\$ 8,242.27	\$ 766.84
CASEY	FES	2022	6/26/2024	\$ 13,438.94	\$ 8,242.27	\$ 5,196.67
DAVISS	FEC	2022	3/25/2024	\$ 9,470.42	\$ 7,157.60	\$ 2,312.82
ELLIOTT	FEC	2022	6/27/2024	\$ 15,068.67	\$ 7,157.60	\$ 7,911.07
ESTILL	FEC	2020	10/24/2023	\$ 17,840.52	\$ 7,157.60	\$ 10,682.92
ESTILL	FEC	2021	6/27/2024	\$ 25,741.75	\$ 7,157.60	\$ 18,584.15
ESTILL	FEC	2022	6/27/2024	\$ 25,505.73	\$ 7,157.60	\$ 18,348.13
ESTILL	FEC	2023	6/27/2024	\$ 17,115.59	\$ 7,157.60	\$ 9,957.99
FLOYD	FEC	2022	4/9/2024	\$ 8,718.23	\$ 7,157.60	\$ 1,560.63
GREENUP	STS	2021	8/7/2023	\$ 9,455.57	\$ 8,516.54	\$ 939.03
HART	FEC	2022	10/17/2023	\$ 8,161.38	\$ 7,157.60	\$ 1,003.78
HOPKINS	STS	2021	8/7/2023	\$ 9,066.11	\$ 8,516.54	\$ 549.57
JEFFERSON	FEC	2022	4/15/2024	\$ 11,242.68	\$ 7,157.60	\$ 4,085.08
JEFFERSON	FES	2022	6/26/2024	\$ 12,024.84	\$ 8,242.27	\$ 3,782.57
JOHNSON	STS	2021	8/7/2023	\$ 8,810.60	\$ 8,516.54	\$ 294.06
LARUE	FEC	2022	5/15/2024	\$ 13,814.18	\$ 7,157.60	\$ 6,656.58
LAUREL	FEC	2022	10/17/2023	\$ 8,478.55	\$ 7,157.60	\$ 1,320.95
MARTIN	STS	2021	11/9/2023	\$ 12,011.20	\$ 8,516.54	\$ 3,494.66
MARTIN	FEC	2022	10/17/2023	\$ 7,648.08	\$ 7,157.60	\$ 490.48
MARTIN	FES	2022	3/25/2024	\$ 10,468.53	\$ 8,242.27	\$ 2,226.26
OLDHAM	OFEC	2022	11/17/2023	\$ 7,237.93	\$ 7,157.60	\$ 80.33
PIKE	FEC	2022	3/25/2024	\$ 7,761.60	\$ 7,157.60	\$ 604.00
POWELL	FES	2022	4/23/2024	\$ 8,721.81	\$ 8,242.27	\$ 479.54
PULASKI	FEC	2022	10/13/2023	\$ 7,672.92	\$ 7,157.60	\$ 515.32
TAYLOR	FEC	2022	10/17/2023	\$ 7,962.97	\$ 7,157.60	\$ 805.37
						\$ 110,454.21

E. Description of Reasons for Outlier Expense

Ballard County Clerk – 2022 FEC

The audit report describes the findings, which are itemized below. Issues such as failing to have an accurate financial report required additional auditor time.

Reported Findings:

- 2022-001 The Ballard County Clerk Failed To Properly Account For And Accurately Report The Fees And Taxes Of Her Office
- 2022-002 The Ballard County Clerk’s Office Does Not Have Segregation Of Duties
- 2022-003 The Ballard County Clerk Did Not Account For Fees And Taxes In The Proper Fee Year
- 2022-004 The Ballard County Clerk Failed To Properly Settle Their 2019, 2020, And 2021 Fee Accounts
- 2022-005 The Ballard County Clerk Exceeded The Budget For Operating Disbursements By \$7,157
- 2022-006 The Ballard County Clerk Does Not Have Adequate Controls Over Employees’ Leave Balances

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Ballard/2022BallardFEC-audit.pdf>

Boone County Sheriff – 2022 FES

Like other counties with a population over 70,000, Boone County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Other factors included slow response times from the sheriff’s office to auditors.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Boone/2022BooneFES-audit.pdf>

Boyd County Sheriff – 2021 STS

The audit described the finding itemized below. There were other corrections and adjustments that were discussed with the sheriff to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the sheriff.

Reported Finding:

- 2021-001 The Former Sheriff’s Office Did Not Have Adequate Segregation Of Duties

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Boyd/2021BoydSTS-audit.pdf>

Boyd County Sheriff – 2022 FES

The audit report describes the findings, which are itemized below. Issues such as failing to have an accurate financial report required additional auditor time.

Reported Findings:

- 2022-001 The Former Sheriff Did Not Have Adequate Segregation Of Duties
- 2022-002 The Former Sheriff’s Fourth Quarter Report Did Not Properly Reflect The Source And Use Of Funds
- 2022-003 The Former Sheriff Owes \$73,105 To The Fiscal Court For Calendar Year 2021 Excess Fees

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Boyd/2022BoydFES-audit.pdf>

Casey County Sheriff – 2022 FES

The audit report describes the findings, which are itemized below. Issues such as failing to have an adequate control over disbursements and forfeiture accounts required additional auditor time.

Reported Findings:

- 2022-001 The Casey County Sheriff’s Controls Over Disbursements Did Not Operate Effectively
- 2022-002 The Casey County Sheriff Does Not Have Proper Internal Controls Over Forfeiture Accounts

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Casey/2022CaseyFES-audit.pdf>

Daviess County Clerk – 2022 FEC

Like other counties with a population over 70,000, Daviess County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Daviess/2022DaviessFEC-audit.pdf>

Elliott County Clerk – 2022 FEC

The audit report describes multiple findings, which are itemized below. Issues such as failing to maintain proper accounting records, making late deposits, and not settling the prior year accounts required additional auditor time. Findings in this audit were referred to the Department of Revenue, Office of the Attorney General, and the Department for Local Government.

Reported Findings:

- 2022-001 The Elliott County Clerk Is Not Fulfilling Her Duties As An Elected County Official
- 2022-002 The Elliott County Clerk's Office Does Not Have Adequate Segregation Of Duties And Internal Controls Over Fee Receipts And Disbursements
- 2022-003 The Elliott County Clerk's Fourth Quarter Report Was Not Submitted To The Department For Local Government And It Contained Material Errors
- 2022-004 The Elliott County Clerk Did Not Present An Annual Settlement To The Fiscal Court
- 2022-005 The Elliott County Clerk Made 4 Late Deposits Totaling \$17,238
- 2022-006 The Elliott County Clerk Did Not Pay Delinquent Taxes To Districts Timely And Owes \$26,861 To Taxing Districts
- 2022-007 The Elliott County Clerk Owes Ad Valorem Taxes To Taxing Districts In The Amount Of \$50,724
- 2022-008 The Elliott County Clerk Did Not Remit Affordable Housing Or Legal Process Payments To The State Timely
- 2022-009 The Elliott County Clerk Did Not Comply With The County's Fee Pooling Ordinance
- 2022-010 The Elliott County Clerk Does Not Have Adequate Controls Over Non-Sufficient Funds (NSF) Checks Or Storage Fees
- 2022-011 The Elliott County Clerk Did Not Follow Correct Record Retention Procedures
- 2022-012 The Elliott County Clerk Has Not Settled The 2020 Or 2021 Fee Accounts

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Elliott/2022ElliottFEC-audit.pdf>

Estill County Clerk – 2020 FEC

The audit report describes numerous findings, which are itemized below. Issues such as having a deficit in the fee account and not having proper oversight over daily functions of the office required additional auditor time.

Reported Findings:

- 2020-001 The County Clerk Overspent Available Funds And Has A Deficit Of \$10,514 In His 2020 Fee Account
- 2020-002 The County Clerk Failed To Implement Adequate Internal Controls Regarding Oversight And Review Of Daily Activities
- 2020-003 The County Clerk's Office Lacks Adequate Segregation Of Duties
- 2020-004 The County Clerk's Fourth Quarter Report Was Not Accurate And Required Numerous Adjustments
- 2020-005 The County Clerk Did Not Remit Usage Tax Fees To The State Timely
- 2020-006 The County Clerk Did Not Remit License Fees To The State Timely And Paid 2019 License Fees Out Of The 2020 Fee Account
- 2020-007 The County Clerk Lacks Adequate Controls Over Ad Valorem Taxes And Did Not Remit Ad Valorem Tax Payments Timely
- 2020-008 The County Clerk Has Not Settled The 2019 Fee Account
- 2020-009 The County Clerk Did Not Prepare Franchise Bills Timely

- 2020-010 The County Clerk Did Not Submit The Maximum Salary Limit For Deputies And Assistants To The Fiscal Court
- 2020-011 The County Clerk Did Not Deposit Funds Timely

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Estill/2020EstillFEC-audit.pdf>

Estill County Clerk – 2021 FEC

The audit report describes numerous findings, which are itemized below. Issues such as having a deficit in the fee account and not having proper oversight over daily functions of the office required additional auditor time.

Reported Findings:

- 2021-001 The Former Estill County Clerk Failed To Implement An Effective Internal Control Environment And Failed To Perform The Duties Of His Office
- 2021-002 The Former Estill County Clerk Overspent Available Funds And Has A Known Deficit Of At Least \$58,027 In His 2021 Fee Account
- 2021-003 The Former Estill County Clerk’s Office Lacked Adequate Segregation Of Duties
- 2021-004 The Former Estill County Clerk’s Fourth Quarter Financial Report Was Materially Misstated
- 2021-005 The Former Estill County Clerk Did Not Remit Usage Tax Fees To The State Timely
- 2021-006 The Former Estill County Clerk Did Not Have Adequate Controls Over License Fees And Did Not Remit License Fees To The State Timely
- 2021-007 The Former Estill County Clerk Failed To Implement Adequate Controls Over Tangible Personal Property Taxes And Did Not Remit Accurate Payments Timely
- 2021-008 The Former Estill County Clerk Has Not Settled The 2019 And 2020 Fee Accounts
- 2021-009 The Former Estill County Clerk Did Not Submit The Maximum Salary Limit For Deputies And Assistants To The Fiscal Court
- 2021-010 The Former Estill County Clerk Did Not Deposit Funds Timely
- 2021-011 The Former Estill County Clerk Received Expense Allowance Despite Not Having Funds Available
- 2021-012 The Former Estill County Clerk Miscalculated Payroll Withholdings And Net Pay For Two Employees

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Estill/2021EstillFEC-audit.pdf>

Estill County Clerk – 2022 FEC

The audit report describes numerous findings, which are itemized below. Issues such as having a deficit in the fee account and not having proper oversight over daily functions of the office required additional auditor time. Findings in this audit were referred to referred to the Office of the Attorney General and the Department for Local Government.

Reported Findings:

- 2022-001 The Former Estill County Clerk Failed To Implement An Effective Internal Control Environment And Failed To Perform The Duties Of His Office
- 2022-002 The Former Estill County Clerk Overspent Available Funds And Has A Known Deficit of At Least \$30,299 In His 2022 Fee Account
- 2022-003 The Former Estill County Clerk Did Not Deposit Funds Timely And Had Missing Cash Deposits
- 2022-004 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate
- 2022-005 The Former Estill County Clerk's Office Lacked Adequate Segregation Of Duties
- 2022-006 The Former Estill County Clerk's Fourth Quarter Financial Report Was Materially Misstated
- 2022-007 The Former Estill County Clerk Did Not Remit Usage Tax Fees And Weekly Reports To The State Timely And Did Not Properly Account For Usage Taxes On The Quarterly Financial Statement
- 2022-008 The Former Estill County Clerk Did Not Remit Tangible/Ad Valorem Tax Payments Timely And Did Not Record Proper Amounts On The Quarterly Financial Statement
- 2022-009 The Former Estill County Clerk Did Not Properly Remit License Fees And Still Owes \$9,175 To The State
- 2022-010 The Former Estill County Clerk's Office Did Not Have Adequate Internal Controls Over Recording And Distributing Motor Vehicle Registration Taxes And Fees
- 2022-011 The Former Estill County Clerk Did Not Submit The Maximum Salary Limit For Deputies And Assistants To The Fiscal Court
- 2022-012 The Former Estill County Clerk Did Not Prepare Franchise Bills Timely
- 2022-013 The Former Estill County Clerk Has Not Settled The 2019, 2020, Or 2021 Fee Accounts

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Estill/2022EstillFEC-audit.pdf>

Estill County Clerk – 2023 FEC

The audit report describes numerous findings, which are itemized below. Issues such as having a deficit in the fee account and not having proper oversight over daily functions of the office required additional auditor time. Findings in this audit were referred to the Office of the Attorney General and the Department for Local Government.

Reported Findings:

- 2023-001 The Former Estill County Clerk Failed To Implement An Effective Internal Control Environment And Failed To Perform The Duties Of His Office
- 2023-002 The Former Estill County Clerk Overspent Available Funds And Has A Known Deficit Of At Least \$174,326 In His 2023 Fee Account
- 2023-003 The Former Estill County Clerk's Salary Exceeded The Maximum Salary Authorization Set For Calendar Year 2023
- 2023-004 The Former Estill County Clerk Did Not Deposit Funds Timely And Had Missing Cash Deposits

- 2023-005 Internal Controls, Review Procedures, And Oversight For Payroll Processing Are Not Adequate
- 2023-006 The Former Estill County Clerk’s Office Lacked Adequate Segregation Of Duties
- 2023-007 The Former Estill County Clerk’s Fourth Quarter Financial Report Was Materially Misstated
- 2023-008 The Former Estill County Clerk Did Not Remit Usage Tax Fees And Weekly Reports To The State Timely And Did Not Properly Account For Usage Taxes On The Quarterly Financial Statement
- 2023-009 The Former Estill County Clerk Did Not Remit Tangible/Ad Valorem Tax Payments Timely And Did Not Record Proper Amounts On The Quarterly Financial Statement
- 2023-010 The Former Estill County Clerk Did Not Properly Remit License Fees And License Fee Reports And Failed To Record License Fee Disbursements
- 2023-011 The Former Estill County Clerk’s Office Did Not Have Adequate Internal Controls Over Recording and Distributing Motor Vehicle Registration Taxes
- 2023-012 The Former Estill County Clerk Did Not Have Adequate Internal Controls Over Disbursements
- 2023-013 The Former Estill County Clerk Did Not Submit The Maximum Salary Limit For Deputies And Assistants To The Fiscal Court
- 2023-014 The Former Estill County Clerk Did Not Pay Delinquent Taxes To Districts Timely
- 2023-015 The Former Estill County Clerk Has Not Settled The 2019, 2020, 2021, Or 2022 Fee Accounts

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Estill/2023EstillFEC-audit.pdf>

Floyd County Clerk – 2022 FEC

While there were no findings in the report there were other corrections and adjustments that were discussed with the clerk to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the clerk.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Floyd/2022FloydFEC-audit.pdf>

Greenup County Sheriff – 2021 STS

Greenup County has a large number of taxing districts, which means additional time was needed to complete the audit and ensure the accuracy of the tax payments distributed to all the districts. Also, the audit describes the finding itemized below.

Reported Finding:

- 2021-001 The Sheriff’s Office Does Not Have Adequate Segregation Of Duties
- 2021-002 The Sheriff Collected Tax Bills With The Incorrect County Tangible Tax Rate

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Greenup/2021GreenupSTS-audit.pdf>

Hart County Clerk – 2022 FEC

While there were no findings in the report there were other corrections and adjustments that were discussed with the clerk to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the clerk.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Hart/2022HartFEC-audit.pdf>

Hopkins County Sheriff – 2021 STS

The audit report describes the findings, which are itemized below. Issues such as failing to have an accurate financial report required additional auditor time.

Reported Findings:

- 2021-001 The Hopkins County Sheriff’s Tax Settlement For 2021 Was Not Accurate
- 2021-002 The Hopkins County Sheriff Has Weak Internal Controls Over The Tax Distribution Process

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Hopkins/2021HopkinsSTS-audit.pdf>

Jefferson County Clerk – 2022 FEC

Like other counties with a population over 70,000, Jefferson County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Also 2022 was a single audit based on the large amount of Coronavirus State and Local Fiscal Recovery Funds expended by the clerk.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Jefferson/2022JeffersonFEC-audit.pdf>

Jefferson County Sheriff – 2022 FES

Like other counties with a population over 70,000, Jefferson County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Also 2022 was a single audit based on the large amount of Coronavirus State and Local Fiscal Recovery Funds expended by the sheriff.

The audit report describes the finding, which is itemized on the next page.

Reported Findings:

- 2022-001 The Jefferson County Sheriff's Financial Statements Were Materially Misstated

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Fayette/2022JeffersonFES-audit.pdf>

Johnson County Sheriff – 2021 STS

The audit described the finding itemized below. There were other corrections and adjustments that were discussed with the sheriff to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the sheriff.

Reported Finding:

- 2021-001 The Former Sheriff's Office Did Not Have Adequate Segregation Of Duties

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Johnson/2021JohnsonOSTS-audit.pdf>

Larue County Clerk – 2022 FEC

The audit report describes the findings, which are itemized below. Issues such as failing to have an accurate financial report required additional auditor time.

Reported Findings:

- 2022-001 The LaRue County Clerk's Office Does Not Have Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2022-002 The LaRue County Clerk's Fourth Quarter Report And Ledgers Were Materially Misstated
- 2022-003 The LaRue County Clerk Did Not Remit Excess Fees To The Fiscal Court Timely
- 2022-004 The LaRue County Clerk Did Not Follow Delinquent Tax Sale Requirements

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/LaRue/2022LaRueFEC-audit.pdf>

Laurel County Clerk – 2022 FEC

While there were no findings in the report there were other corrections and adjustments that were discussed with the clerk to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the clerk.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Laurel/2022LaurelFEC-audit.pdf>

Martin County Sheriff – 2021 STS

The audit described the finding itemized below. There were other corrections and adjustments that were discussed with the sheriff to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the sheriff.

Reported Finding:

- 2021-001 The Martin County Sheriff's Office Does Not Have Segregation Of Duties

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Martin/2021MartinSTS-audit.pdf>

Martin County Clerk – 2022 FEC

The audit report describes the findings, which are itemized below. Issues such as having a deficit in their official account required additional auditor time. There were other corrections and adjustments that were discussed with the clerk to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the clerk.

Reported Findings:

- 2022-001 The Martin County Clerk's Office Does Not Have Adequate Segregation Of Duties
- 2022-002 The Martin County Clerk Has A Deficit Of \$16,591 In Her 2022 Official Bank Account

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Martin/2022MartinFEC-audit.pdf>

Martin County Sheriff – 2022 FES

The audit described the finding itemized below. There were other corrections and adjustments that were discussed with the sheriff to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the sheriff.

Reported Finding:

- 2022-001 The Sheriff's Office Does Not Have Adequate Segregation Of Duties

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Martin/2022MartinFES-audit.pdf>

Oldham County Clerk – 2022 OFEC

While there were no findings in the report there were other corrections and adjustments that were discussed with the clerk to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the clerk.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Oldham/2022OldhamOFEC-audit.pdf>

Pike County Clerk – 2022 FEC

Like other counties with a population over 70,000, Pike County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits.

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Pike/2022PikeFEC-audit.pdf>

Powell County Sheriff – 2022 FES

The audit report describes the findings, which are itemized below. Issues such as failing to have an accurate financial report required additional auditor time.

Reported Findings:

- 2022-001 The Sheriff’s Office Does Not Have Adequate Segregation Of Duties
- 2022-002 The Sheriff Has Not Settled Prior Year Accounts
- 2022-003 The Sheriff’s Fourth Quarter Report Was Materially Misstated
- 2022-004 The Sheriff Does Not Have Adequate Controls In Place Over Fuel Purchases
- 2022-005 The Sheriff Has Not Resolved A Possible Conflict Of Interest

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Powell/2022PowellFES-audit.pdf>

Pulaski County Clerk – 2022 FEC

The audit report describes the findings, which are itemized below. Findings noted required additional auditor time. There were other corrections and adjustments that were discussed with the clerk to ensure optimal office operation. Although they were not material enough to rise to a finding in the report, they did require additional auditor time to examine and discuss with the clerk.

Reported Findings:

- 2022-001 The Former Pulaski County Clerk Did Not Segregate Duties Over All Accounting Functions
- 2022-002 The Former Pulaski County Clerk Did Not Submit The March 31, 2022, June 30, 2022, And September 30, 2022 Quarterly Reports To The Department For Local Government (DLG)

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Pulaski/2022PulaskiFEC-audit.pdf>

Taylor County Clerk – 2022 FEC

The audit report describes the findings, which are itemized below. Findings noted required additional auditor time.

Reported Findings:

- 2022-001 The Taylor County Clerk's Office Does Not Have Adequate Segregation Of Duties
- 2022-002 The Taylor County Clerk Did Not Deposit Funds Intact Daily
- 2022-003 The Taylor County Clerk Did Not Have Adequate Controls Over Payroll
- 2022-004 The Taylor County Clerk Did Not Require Third-Party Purchasers To Make Deposits And Payments In Accordance With 103 KAR 5:180

Link to Audit Report: <https://www.auditor.ky.gov/Auditreports/Taylor/2022TaylorFEC-audit.pdf>