



**Auditor of
Public Accounts
Allison Ball**

Breathitt County Clerk's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Breathitt County Clerk Becky Curtis. 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 Breathitt 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.

Finding: The clerk's office has poor internal controls over the receipts and disbursements ledgers

Segregation of duties and compensating controls were not effective. The fourth quarter report included posting errors that resulted in 14 adjustment recommendations to the receipts ledger, nine adjustment recommendations to the disbursements ledger, and an overstated quarterly report. Controls weren't in place to prevent erroneous transactions and transactions from other years from being posted to the 2023 ledgers. The receipts and disbursements on the fourth quarter report, presented to the Department for Local Government, were overstated by \$76,259.

Recommendations

We recommend the county clerk institute controls and compensating controls to ensure the accuracy of the receipts and disbursement ledgers.

County Officials Response

County Clerk's Response: Internal controls can be difficult with a small staff size. Our office will look for opportunities to strengthen internal controls over the Receipts and Disbursements Ledgers by no longer posting as much detail to our ledgers for audit purposes. We will remove any ledger postings regarding duplicate usage payments/refunds caused by a glitch within the KY Department of Revenue's ACH system and usage corrections. Our office will streamline our ledgers as much as possible.

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](#).

