



**Auditor of
Public Accounts
Allison Ball**

Estill County Clerk's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of Former Estill County Clerk Brian Crowe. 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 Former Estill 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 Former Estill County Clerk Failed To Implement Adequate Internal Controls Regarding Oversight And Review Of Daily Activities

The former county clerk failed to maintain adequate oversight and review of daily office functions during the period January 1, 2024 through March 31, 2024, resulting in the following issues:

- The first quarter financial statement was not completed.
- Original bank statements were not maintained.
- Financial ledgers were not completed.
- An annual settlement was not completed and presented to the fiscal court.
- Payroll documentation, daily checkouts, and invoice documentation were not provided.
- Usage taxes are still owed to the state.
- License fees are still owed to the state and weekly reports were not filed.
- Tangible property taxes are owed to the state, the county, and other taxing districts.
- Delinquent real property taxes are owed to the state, the county, and other taxing districts.
- Deed transfer tax, storage fees, and a payroll reimbursement are still owed to the county.
- Legal process and affordable housing trust fees are still owed to the state.
- The former county clerk wrote 2 extra checks to himself totaling \$6,081.
- The 2024 fee account has not been settled.
- The former county clerk overspent available funds and has a deficit of \$156,246 in his 2024 fee account, see finding 2024-002.
- The former county clerk overspent available funds and has a cumulative deficit of \$195,838 in his 2020, 2021, 2022, 2023, and 2024 fee accounts, see finding 2024-003.

Recommendations

We recommend the former county clerk work with the county attorney and the fiscal court to take immediate action to remedy the issues outlined in these findings. Further, we recommend the county clerk's office implement policies and procedures to ensure all financial activity is complete, accurate, properly recorded, and classified. Procedures should also be implemented to ensure compliance with applicable statutes, regulations, and policies. This matter will be referred to the Department for Local Government, the Office of the Attorney General, Department of Revenue, and the Kentucky Transportation Cabinet.

County Officials Response

Former County Clerk's Response: The former official did not provide a response.

Finding: The Former Estill County Clerk Overspent Available Funds And Has A Deficit Of \$156,246 In His 2024 Fee Account

This is a repeat finding and was included in the prior year audit report as finding 2023-002. The former county clerk overspent the funds that were available in 2024. Based on the auditor's recap of the former county clerk's bank transactions for calendar year 2024, the former county clerk had receipts of \$814,054, and disbursements of \$970,300, which resulted in a deficit of at least \$156,246 in the 2024 fee account. The former county clerk made numerous transfers from the 2024 fee bank account to the 2023 fee account to cover payments due to taxing districts.

Recommendations

We recommend the former county clerk consult with the fiscal court and the county attorney to determine how to eliminate this deficit, up to and including using personal funds to settle the office's obligations that are currently outstanding. We will refer this finding to the Department for Local Government.

County Officials Response

Former County Clerk's Response: The former official did not provide a response.

Finding: The Former Estill County Clerk Overspent Available Funds And Has A Known Cumulative Deficit Of \$195,838

This is a repeat finding and was included in the prior year audit report as finding 2023-015. The former county clerk overspent the funds that were available in his prior year fee accounts, as well as the current year being audited. Based on the auditor's recap of the former clerk's bank transactions for calendar years 2020, 2021, 2022, 2023 and 2024, the former county clerk had recognized receipts of \$166,784, and recognized disbursements of \$362,622, which resulted in a deficit of at least \$195,838 cumulatively in the 2020, 2021, 2022, 2023 and 2024 fee accounts. The former county clerk has paid restitution to the fiscal court in the amount of \$79,948, leaving a net deficit of \$115, 890.

Recommendations

We recommend the former county clerk consult with the fiscal court and the county attorney to determine how to eliminate this deficit, including using personal funds to settle the office's obligations that are currently outstanding. We will refer this finding to the Department for Local Government.

County Officials Response

Former County Clerk's Response: The former official did not provide a response.

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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