



**Auditor of
Public Accounts
Allison Ball**

Knott County Clerk's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of Knott County Clerk Maurica Cornett. 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 Knott 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: Lacks adequate segregation of duties.

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The Knott County Clerk's Office lacks adequate segregation of duties over various accounting functions. The bookkeeper collects receipts, prepares daily check out sheets, posts to ledger, and prepares monthly reports. These incompatible duties create a lack of segregation of duties over receipts. According to the county clerk, the condition is a result of limited budget, which restricts the number of employees the county clerk can hire and delegate duties to. This deficiency increases the risk of misappropriation of assets, errors, and inaccurate financial reporting.

Recommendations

We recommend the county clerk separate the duties involving the collection and reporting of receipts, the preparation and recording of disbursements, and bank reconciliation. If segregation of duties is not feasible due to lack of staff, we recommend the county clerk implement and document compensating controls to offset this control deficiency in the form of strong oversight from an employee not performing any of those functions.

County Officials Response

County Clerk's Response: We do not have enough employees to fulfill the segregation of duties. Also, my deputy clerks check each other's work on daily basis. Plus, clerk checks also.

Finding: Overpaid delinquent taxes to the taxing districts.

For the month of February, the county clerk's office incorrectly ran a report that included both the January and February delinquent tax collection totals. By using this combined report, it caused the county clerk to overpay the taxing district by \$20,542 since the January tax collections had already been paid the month prior. The date was entered incorrectly when the report was created, and the error was not caught. The county clerk does not have controls in place to ensure the correct amounts were disbursed to taxing districts. The following amounts should be collected back from each district:

District	Amount
State	\$ 1,613
County	2,361
Fire Acres	2
School	9,245
Health District	814
Extension District	735
Soil Conservation District	272
Sheriff	1,926
County Attorney	<u>3,574</u>
Total	<u>\$ 20,542</u>

Recommendations

We recommend the county clerk collect these funds back from the districts, deposit them into the 2024 fee account and pay them over to the fiscal court as excess fees.

County Officials Response

County Clerk's Response: The overpaid taxes were fixed to the districts, and we returned them back to fiscal court for excess fees. This was done out of the 2025 account, because 2024 account was closed.

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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