



## Auditor of Public Accounts Allison Ball

**FOR IMMEDIATE RELEASE**

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### **Ball Releases Audit of Livingston County Clerk's Fee Account**

**FRANKFORT, Ky.** – State Auditor Allison Ball released the audit of the 2023 financial statement of Livingston County Clerk Sonya Williams. 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 Livingston 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.

The audit contains the following findings:

**The Livingston County Clerk's Office does not have adequate segregation of duties:** The county clerk prepares monthly and quarterly reports, prepares daily checkout sheets, posts receipts and disbursements to the ledgers, and performs monthly bank reconciliations. According to the county clerk, this is due to the clerk's decision to have control over those functions of the office.

We recommend the county clerk separate the duties involved in posting to the receipt and disbursement ledgers, preparing monthly bank reconciliations, and preparing quarterly reports. If this is not feasible due to a limited budget, cross-checking procedures could be implemented and documented by the individual performing the procedure.

*County Clerk's Response: The Livingston County Clerk's Office employs a small staff thus creating difficulty for an entirety of segregation of duties. At present, deputy clerks prepare individual check out sheets and deposits. The county clerk collects, totals, and prepares an overall daily sheet and deposit which is reviewed by a deputy clerk daily and initialed. Both the county clerk and staff prepare and sign checks with a two signature requirement as a compensating control. Though the clerk posts receipts and disbursement ledgers daily, line items (recording fees, motor vehicle & boat ad valorem, usage tax, deed tax, and lien fees) are reviewed daily, weekly, and monthly by deputy clerks responsible for collecting those individual items, ensuring that totals collected match with corresponding reports. In the future, compensating controls can always be improved upon. As it is the county clerk's duty to be liable for the activity within the office, it is the ultimate goal to receive and disburse county finances responsibly and continue to do the best for Livingston County.*

**The Livingston County Clerk allowed unauthorized access to the statewide Kentucky Automated Vehicle Information System:** Auditors were notified of a possible breach of access to official record keeping applications in the Livingston County Clerk's Office. We found that the Livingston County Clerk allowed a former employee of her office to access the Kentucky Transportation Cabinet's Kentucky Automated Vehicle Information System (KAVIS). This individual was no longer authorized to access KAVIS, as her credentials had been cancelled upon leaving employment with the county clerk. The county clerk provided her personal login credentials to the former employee who then accessed

the KAVIS system. The KAVIS system is used primarily by county clerk offices to perform vehicle and vessel-related transactions and contains detailed motor vehicle information as well as personally identifiable information (PII) of all motor vehicle registrants across the state of Kentucky.

We recommend the Livingston County Clerk refrain from sharing login credentials with anyone. Each system user should be required to maintain login credentials which allows for the tracking of changes made within KAVIS or any system used by the county clerk's office. The Livingston County Clerk should change her personal login credentials immediately and never share them again. The Livingston County Clerk should also institute physical access control policies for all electronic record keeping systems used in the county clerk's office. As this breach of access controls was not reported to the Kentucky Transportation Cabinet, Department of Vehicle Regulation, or the Commonwealth Office of Technology's Office of the Chief Information Security Officer, this finding will be referred to both.

*County Clerk's Response: Please refer to the Exit Addendum Finding 002 content as it scribed the event correctly. I appreciate and will adhere to the auditor's recommendations.*

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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