



**Auditor of  
Public Accounts  
Allison Ball**

# Menifee County Clerk's Fee Account Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball released the audit of the 2024 financial statement of Menifee County Clerk Krystal Chapman. 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 Menifee 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 county clerk's office lacks adequate segregation of duties. All employees of the county clerk's office collect receipts. Also, the county clerk and chief deputy clerk prepare daily checkout sheets, bank deposits, and post items to the receipts ledger. The county clerk and the chief deputy clerk prepare and record disbursements, and the county clerk reconciles the bank account. According to the county clerk, this was caused by a limited budget which restricted the number of employees that the county clerk could delegate duties to. This increases the risk of misappropriation of assets and inaccurate financial reporting to external agencies.

## **Recommendations**

We recommend the same person not perform multiple accounting functions and, if the duties cannot be segregated, then strong oversight over the employee's work should be implemented and documented.

## **County Officials Response**

*County Clerk's Response: The clerk's office is working to maintain compensating controls by using dual signatures on daily checkouts, weekly reports, monthly reports, bank reconciliation statements, and daily deposits.*

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](#).

