



**Auditor of
Public Accounts
Allison Ball**

Trigg County Clerk's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of Trigg County Clerk Carmen Finley. 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 Trigg 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 controls over financial reporting.

The Trigg County Clerk's Office lacks adequate controls over financial reporting. During testing of the motor vehicle audit (MVR) and the fee audit, we found recording and reporting errors of \$132,707 for receipts and \$262,189 for disbursements on the fourth quarter financial statement. One large misclassification noted during the MVR testing led the county clerk to resubmit the fourth quarter financial to the Department for Local Government (DLG).

Recommendations

We recommend the Trigg County Clerk strengthen internal controls over financial reporting by ensuring receipts and disbursements are posted to the ledgers properly and that the fourth quarter financial report is mathematically accurate.

County Officials Response

County Clerk's Response: In my fourth quarter report, there was a formula error, causing the Tangible Property Tax to be placed in an incorrect account, "Overpayment/Refund". In addition, the usage tax was not sent to the state, but I had taken out of our account ledger. When we located the mistakes, I corrected our report and sent a revised 4th Quarter Report to the state. The auditor's office did not acknowledge my corrected report in this audit. Both the Revised 4th Quarter Report and Final reports were correct.

Auditor's Reply: The errors noted above were discovered as part of audits performed by the auditor's office. The errors were not detected by the county clerk's internal control system. A second report was submitted to DLG after the clerk was notified of the errors noted above.

Finding: Lacks adequate segregation of duties.

The Trigg County Clerk's Office lacks adequate segregation of duties. The deputy clerks prepare daily, weekly, and monthly reports, and prepare the deposits. The county clerk will post to the receipts and disbursements ledgers and prepare the financial reports. The county clerk has implemented compensating controls to help offset this deficiency, however the controls in place were ineffective and misstatements were noted on the fourth quarter financial statement.

Recommendations

We recommend the county clerk segregate the duties of accounting functions. If segregation of duties is not feasible due to lack of staff, we recommend the county clerk continue to implement and document effective compensating controls in the form of strong oversight from an employee not involved in the performance of these functions to offset this control deficiency.

County Officials Response

County Clerk's Response: This is always something that the Auditor's office will write us up for. We are a small office, but we have compensating controls with many checks and balances. I can be assured that this will be in my audit each year.

2024 was a challenging year in our Motor Vehicle Department. We lost three valuable employees and trained three new employees with a brand-new computer system that was imperfect. In addition, we had a highly contentious Presidential race Election. I think all in all, our deputies did a wonderful job! I appreciate our team very much.

Auditor's Reply: The lack of segregation of duties found in the Trigg County Clerk's office is a material internal control deficiency. While the Trigg County Clerk implemented some compensating controls to offset this internal control weakness, those controls failed to detect misstatements and errors in the county clerk's accounting records and financial statement.

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](#).

