



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Bell County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2020 financial statement of Bell County Sheriff Mitch Williams. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account, and the other reporting on the audit of the fee account used to operate the office.

Auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the receipts, disbursements and excess fees of the Bell County Sheriff in accordance with accounting principles generally accepted in the United States of America. The sheriff's financial statement did not follow this format. However, the sheriff'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 sheriff audits in Kentucky.

As part of the audit process, the auditor must comment on noncompliance with laws, regulations, contracts, and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

The Bell County Sheriff's Office does not have adequate segregation of duties over disbursements and reconciliations: This is a repeat finding and was included in the prior year audit report as Finding 2019-001. The Bell County Sheriff's Office does not have adequate segregation of duties over disbursements and reconciliations. The bookkeeper prepares checks, signs checks, posts disbursements to the ledgers, and reconciles the bank account monthly.

The lack of segregation of duties occurs because the sheriff has failed to segregate incompatible duties. The sheriff stated he cannot hire additional employees to allow segregation of duties due to budget limitations. This deficiency increases the risk of misappropriation of assets, errors, and

inaccurate financial reporting. The segregation of duties over various accounting functions such as preparing checks, recording disbursements, and preparing monthly bank reconciliations is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the sheriff separate the duties over disbursements and reconciliations. If this is not feasible, due to limited staff, then strong oversight should be provided over these duties. These reviews should be properly documented by initialing ledgers and bank reconciliations.

County Sheriff's Response: The official did not provide a response.

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

The audit report can be found on the [auditor's website](#).

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