



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: **Michael Goins**
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Harmon Releases Audit of Carter County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2018 financial statement of Carter County Sheriff Jeff May. 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 Carter 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 sheriff's design of controls over car inspection receipts is not adequate: During December 2018, the sheriff discovered an employee of his office was performing unauthorized car inspections after work hours and not turning over the receipts collected to the sheriff's office. The sheriff began an investigation to confirm the fraud and determine the amount of receipts not turned over to the sheriff's office. Based on the sheriff's review, \$3,025 was identified that should have been turned over by the employee for car inspections performed. This matter has been reported by the sheriff to the Kentucky Office of the Attorney General. The design of controls over car inspection receipts did not allow the sheriff to detect the fraud on a timely basis. By not having

properly designed controls over car inspection receipts, the sheriff's office was deprived of funds needed to provide law enforcement services. Properly designed controls are essential in detecting misstatements and misappropriation of assets through fraudulent activity. The sheriff should have implemented internal controls to ensure that all receipts of the sheriff's office were deposited into the fee account. We recommend the sheriff design internal controls to ensure that all receipts are collected and deposited into the fee account.

Sheriff's Response: On May 1, 2019, my office began an offsite inspection request/receipt form. This form gives my office control over inspections done outside the office. It allows office personnel to take the request then pass it along to a deputy to take care of on patrol and then after the inspection it's returned to the office for office personnel to make a cash receipt and post for the day.

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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