



Auditor of Public Accounts
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Harmon Releases Audit of Edmonson County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2020 financial statement of Edmonson County Sheriff Shane Doyle. 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 Edmonson 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 comments:

The Edmonson County Sheriff failed properly oversee the activity of the official drug fund, which serves as his state asset forfeiture account: This is a repeat finding and was included in the prior year audit report as Finding 2019-002. The sheriff had the following deficiencies related to his drug fund:

- Funds totaling \$305 from the sale of deputy fire arms were deposited into the drug fund.
- The commonwealth attorney was not paid \$17 for court case 18-CR-00132.

The sheriff failed to implement internal controls over drug fund activity and failed to implement guidance over seizure activity in accordance with applicable KRS's. Additionally the sheriff failed to keep adequate records over sources of funds that were being deposited into the sheriff's drug fund.

By depositing firearm proceeds into the drug account without proper documentation of the origins of the firearms sold, the sheriff may have money due to other entities. In addition by not paying the commonwealth attorney their portion of seized funds, the sheriff is not in compliance with the Edmonson County Circuit Clerk court order.

Implementation of effective internal controls is instrumental to the successful oversight of the sheriff's official drug fund. Effective internal controls help protect the assets of the drug fund and prevent ineligible uses from occurring. KRS 65.041 discusses the requirements for the disposition of firearms by a local government.

We recommend the sheriff require funds from the sale of firearms to deputies are used in accordance with KRS 65.041. The source of the original purchase would dictate where those funds should be deposited and then used for the purchase of body armor meeting or exceeding National Institute of Justice standards, firearms, ammunition, or range facilities, or a combination thereof. Also, we recommend the sheriff should make a payment to the Edmonson Commonwealth Attorney in the amount of \$17 in order to be in compliance with the Edmonson County Circuit court orders.

County Sheriff's Response: The Edmonson County Sheriff's Office had deposited \$305.00 into the drug fund from the sale of a duty weapon to a deputy, as prescribed by KRS. The failure to return that money to the original source of payment was not properly researched, as we did purchase firearms with the drug fund, and we just had not provided the documentation to the Auditor's office. The \$17 due to the Commonwealth Attorney's office was from a county auction, and was an unfortunate oversight.

The Edmonson County Sheriff's Office did not have adequate controls over the drug fund disbursements: The following exceptions were noted when testing disbursements and credit card disbursements from the drug account.

1. Two instances totaling \$39 of sales taxes was paid.
2. One instance totaling \$1,000 where the purchase price could not be verified.
3. The sheriff spent a total of \$112 on unallowable disbursements.

According to the sheriff:

1. The two instances of sales tax paid were a result of two different situations. The first was a reimbursement to a deputy who broke his phone. The deputy paid sales tax on the repair on his phone and the sheriff reimbursed the entire amount. The second was unavoidable because the purchase was made in another county.

2. The one instance where the purchase price was not stated on the invoice was a purchase of a trailer. The sheriff thought that the title of the trailer contained the purchase price.
3. The unallowable disbursements were a result of two purchases. These were the purchase of an automatic paper towel dispenser and paper towel rolls. The sheriff was unaware that these purchases could not be made from the drug account.

By not ensuring adequate internal controls are in place, the county official cannot guarantee that taxpayer monies are being used in the most efficient and effective ways possible. Good internal controls dictate that controls over all disbursements be maintained to ensure that taxpayer funds are used appropriately.

We recommend the sheriff's office implement adequate controls over the drug fund disbursements, ensure that sales tax is not paid on disbursements, all invoices have a purchase price, and that the fiscal court reimburse the sheriff's office \$112 for the automatic paper towel dispenser and paper towel rolls.

County Sheriff's Response: The Edmonson County Sheriff's Office paid sale tax on two different occasions, both of which were unavoidable given the individual situations. The \$1000 purchase was for a trailer, and I was of the belief that the title itself would be an adequate proof of purchase, and that an invoice would not be needed, and since it was purchased from an individual and not a business, the individual didn't have the ability to generate an invoice. The unallowable expense of a paper towel dispenser was an unfortunate misunderstanding and we will attempt to get the fiscal court to reimburse the drug fund for the purchase.

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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