



Auditor of Public Accounts
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Harmon Releases Audit of Former Fulton County Sheriff's Office

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2015 financial statement of former Fulton County Sheriff Robert “Bobby” Hopper. 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 Fulton 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 non-compliance 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 former Fulton County Sheriff had \$673 of disallowed disbursements from the 2015 fee account. A disbursement for \$316 was for candy to be given out for a parade. The remaining \$357 is a result of not having proper documentation for disbursements made by credit card. These disbursements had either missing receipts/invoices or the receipts were not itemized.

In accordance with Funk v. Milliken, 317 S. W. 2d 499 (Ky. 1958), Kentucky’s highest court ruled that county fee officials’ expenditures of public funds will be allowed only if they are necessary, adequately documented, reasonable in amount, beneficial to the public, and not

primarily personal in nature. Given the fact that these disbursements did not meet the necessary criteria, they have been disallowed.

We recommend the sheriff's office maintain sufficient supporting documentation for all disbursements.

Current Sheriff Robert Woods, Jr.'s Response: The Sheriff's Office has reviewed the disallowed disbursements and has implemented a Purchase Order system to prevent any missing documents in the future.

The former Fulton County Sheriff had \$125 of disallowed disbursements from the drug forfeiture account. A disbursement for \$125 was for lunch for the deputies when they were gathered for a training at the sheriff's office. Due to there not being any travel required for the training, the expenditure is considered unnecessary, personal in nature, and not for direct law enforcement purposes.

In accordance with Funk v. Milliken, 317 S. W. 2d 499 (Ky. 1958), Kentucky's highest court ruled that county fee officials' expenditures of public funds will be allowed only if they are necessary, adequately documented, reasonable in amount, beneficial to the public, and not primarily personal in nature. Given the fact that these disbursements did not meet the necessary criteria, they have been disallowed.

We recommend the sheriff's office maintain sufficient supporting documentation for all disbursements.

Current Sheriff Robert Woods, Jr.'s Response: The Sheriff's Office has implemented new travel and training policies which allows the Sheriff's Office to provide Deputies meals during approved out of county training.

The former Fulton County Sheriff's office lacked adequate segregation of duties. Due to a limited staff size, the bookkeeper was responsible for preparing daily deposits, preparing and signing checks, posting to receipt and disbursement ledgers, preparing monthly bank reconciliations, and also preparing quarterly reports. A lack of segregation of duties or strong oversight increases the risk that errors could occur and not be detected.

A proper segregation of duties is essential for providing protection from undetected errors and inaccurate financial reporting. Additionally, a proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the sheriff's office separate the duties involved in preparing deposits, writing checks, posting to the receipt and disbursement ledgers, preparing monthly bank reconciliations, and preparing quarterly reports. If it is not feasible due to a limited budget, cross-checking procedures could be implemented and documented by the individual performing the procedure.

Current Sheriff Robert Woods, Jr.'s Response: The Sheriff's Office has reviewed our current procedures and have added several changes to document all transaction, so that there is more of a system of check and balances within the office.

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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