



Auditor of Public Accounts
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**Harmon Releases Agreed-Upon Procedures Engagement of Fulton County
Sheriff's Office**

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2019 agreed-upon procedures engagement of Fulton County Sheriff Derek Goodson. 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.

In 2018 the Kentucky General Assembly, following a recommendation by the State Auditor, passed legislation that allows county sheriffs and clerks that met certain criteria to apply for an Agreed-Upon Procedures (AUP) engagement in lieu of an audit of their fee account. The intent of the change, which became effective in July 2018, was to reduce audit costs for sheriffs and clerks that have a history of clean audits, while still maintaining an appropriate level of accountability.

The Fulton County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2019 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. Auditors performed the procedures, which were agreed to by the Fulton County Sheriff, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2019 through December 31, 2019.

The following exceptions were identified during the AUP engagement:

- **The sheriff's fourth quarter financial statement did not agree to the sheriff's receipts and disbursements ledgers. Disbursements varied by \$21,294. The sheriff did not total the receipts or disbursements ledgers at end of year.**

County Sheriff's Response: As of the end of the fourth quarter, payroll liabilities (sp) was reported but a check had not been given to the fiscal court.

- **The sheriff collected \$110,516 of tax commissions. However, tax commissions per the fourth quarter financial statement totaled \$120,531. The difference between the amount actually collected and the amount reported is due to the sheriff combining add-on fees with tax commissions on the fourth quarter financial statement.**

County Sheriff's Response: In the past we have not separated (sp) the add on fee from the regular commission. In the future a separate (sp) line item will be created.

- **While the sheriff's settlement shows a balance due to fiscal court, this is due to the sheriff not posting the repayment of the sheriff's state advancement in the amount of \$65,000. No additional excess fees are due to the fiscal court.**

County Sheriff's Response: Our 2019 Fee Account was short \$649.37 for the repayment of the advancement. The Sheriff's office requested that amount from fiscal court. We received that money the end of May. A check for \$65,000.00 was sent to the State, therefore leaving us a balance of zero. An end of the year amendment was never done after the check was sent.

- **The sheriff does not have any lease agreements or service contracts. However, liabilities requiring disclosure were not disclosed properly on the fourth quarter financial statement.**

County Sheriff's Response: The liability was a single vehicle payment that was reported in disbursements but not reported on the separate outstanding liability form. In the future this payment will be reported on the proper form.

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 agreed-upon procedures report can be found on the [auditor's website](#).

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