

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
LOGAN COUNTY SHERIFF**

**For The Period
January 1, 2020 Through December 31, 2020**



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**MIKE HARMON
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SUMMARY OF PROCEDURES AND FINDINGS

**AGREED-UPON PROCEDURES OF THE
LOGAN COUNTY SHERIFF**

For The Period January 1, 2020 Through December 31, 2020

The Logan County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (AUP) engagement for calendar year 2020 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. The summary below presents those findings for which an exception was identified during the AUP engagement.

During the AUP engagement of the Logan County Sheriff, the following exceptions were noted:

- The sheriff prepared an annual asset forfeiture report. However, it was not accurate due to the asset forfeiture report not including all amounts seized and awarded to the sheriff. Assets were traced to bank deposits and the receipt ledger. Amounts owed to commonwealth attorney were remitted.
- The sheriff collected \$535,668 of tax commissions. However, tax commissions per the fourth quarter financial statement totaled \$603,258.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above, but can be found in the full report. A copy of this report is available on the Auditor of Public Accounts' website at www.auditor.ky.gov.

Respectfully submitted,

Mike Harmon
Auditor of Public Accounts
July 27, 2021



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Logan Chick, Logan County Judge/Executive
The Honorable Stephen Stratton, Logan County Sheriff
Members of the Logan County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Logan County Sheriff, related to the sheriff's compliance with the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* regarding the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020. The Logan County Sheriff is responsible for compliance with these requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the sheriff has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the sheriff's fourth quarter financial statement agrees to the sheriff's receipts ledger and disbursements ledger. Variances in total receipts or total disbursements that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

3. Procedure -

Compare the sheriff's operating disbursements (fourth quarter or settlement amounts) to the budget approved by the fiscal court to determine if the sheriff overspent the budget.

Finding -

No exceptions were found as a result of applying the procedure.



The Honorable Logan Chick, Logan County Judge/Executive
 The Honorable Stephen Stratton, Logan County Sheriff
 Members of the Logan County Fiscal Court
 (Continued)

4. Procedure -

Determine if the sheriff has a settlement of excess fees that was approved by the fiscal court.

Finding -

No exceptions were found as a result of applying the procedure.

5. Procedure -

Obtain a list of accounts prepared by the sheriff that are applicable to the current calendar year.

Finding -

No exceptions were found as a result of applying the procedure. The sheriff maintains fee, evidence, donation, and drug accounts.

6. Procedure -

Determine if the sheriff reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2020, to determine the reconciled ending balances and if bank reconciliations are accurate.

Finding -

No exceptions were found as a result of applying the procedure. The balances of the sheriff's accounts are:

Account Name:	Reconciled Account Balance:
Fee Account	\$ 0
Evidence Account	\$ 8,028
Donation Account	\$ 0
Drug Account	\$ 19,077

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Logan Chick, Logan County Judge/Executive
The Honorable Stephen Stratton, Logan County Sheriff
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(Continued)

8. Procedure -

Determine if the sheriff completed an annual asset forfeiture report. Determine if assets forfeited to the sheriff are properly accounted for by tracing the asset to bank deposit, receipts ledger, or asset ledger and determine if amounts due to the commonwealth attorney were remitted.

Finding -

The sheriff prepared an annual asset forfeiture report. However, it was not accurate due to the asset forfeiture report not including all amounts seized and awarded to the sheriff. Assets were traced to bank deposits and the receipt ledger. Amounts owed to commonwealth attorney were remitted.

Sheriff's Response: We believe this was an error due to new employee doing the report and not familiar with report.

9. Procedure -

Determine if tax commissions are properly accounted for by computing the sheriff's current calendar year tax commission from prior year taxes and current year taxes using the prior year sheriff tax settlement and current year recap of tax reports. Variances that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

The sheriff collected \$535,668 of tax commissions. However, tax commissions per the fourth quarter financial statement totaled \$603,258.

Sheriff's Response: I include tax add-ons with commissions collected. I have separated them for the future. Also, school commissions were off a portion of the year, it was corrected and may have been double calculated in fee reports.

10. Procedure -

Judgmentally select 15 operating disbursements from the sheriff's records and agree amounts paid to invoices or other supporting documentation and cancelled check. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business. Verify that any state advancement was repaid.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Logan Chick, Logan County Judge/Executive
 The Honorable Stephen Stratton, Logan County Sheriff
 Members of the Logan County Fiscal Court
 (Continued)

11. Procedure -

Determine excess fees due to the fiscal court by recalculating the difference between total receipts and total disbursements. Verify amounts paid to determine if additional excess fees are due to the fiscal court.

Finding -

Excess fees due to the fiscal court were recalculated and there are no additional excess fee due to the fiscal court.

Total Receipts	\$ 826,812
Total Disbursements	<u>1,609</u>
Excess Fees Due County for 2020	825,203
Payments to Fiscal Court	<u>825,203</u>
Balance Due Fiscal Court	<u><u>\$ 0</u></u>

12. Procedure -

Verify the sheriff's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees. (Not applicable to fee pooling counties)

Finding -

Not applicable since Logan County is a fee pooling county.

14. Procedure -

Determine that the sheriff was paid the statutory salary as fixed by the Department for Local Government salary schedule.

Finding -

The sheriff was paid \$ 90,562. The statutorily required salary was \$90,562.

The Honorable Logan Chick, Logan County Judge/Executive
The Honorable Stephen Stratton, Logan County Sheriff
Members of the Logan County Fiscal Court
(Continued)

15. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

The sheriff does not have any lease agreements or service contracts.

16. Procedure -

Verify the sheriff is properly bonded for the period covered by the agreed upon procedures.

Finding -

No exceptions were found as a result of applying the procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to present the procedures performed and the results of those procedures and is not suitable for any other purpose. This report is intended solely for the information and use of the Logan County Sheriff and the Logan County Fiscal Court, and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

July 27, 2021