



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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

Harmon Releases Agreed-Upon Procedures Engagement of Marshall County Sheriff's Office

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2020 agreed-upon procedures engagement of Marshall County Sheriff Eddie McGuire. 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 Marshall County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an 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. Auditors performed the procedures, which were agreed to by the Marshall County Sheriff, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020.

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. Receipts varied by \$504,645. The sheriff included the bank balance from the prior year in receipts.**

County Sheriff's Response: We had included the bank balance from the previous year to reconcile the balance and did not need to do that.

- **The sheriff's operating disbursements were compared to the sheriff's approved budget and the sheriff overspent his operating budget by \$7,238.**

County Sheriff's Response: This was due to the bank charge and we had accidentally added a tax deposit into our fee account that had to be corrected.

- **The sheriff collected \$850,741 of tax commissions. However, tax commissions per the receipts ledger totaled \$882,549. 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 receipts ledger.**

County Sheriff's Response: The tax commissions were incorrect due to including add on fees to the total. We now know not to do that.

- **Excess fees due to the fiscal court were recalculated and the fiscal court was overpaid by \$355.**

County Sheriff's Response: No response.

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](#).

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians. Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.

