



Auditor of Public Accounts  
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: **Michael Goins**  
[Michael.Goins@ky.gov](mailto:Michael.Goins@ky.gov)  
**502.564.5841**  
**502.209.2867**

### **Harmon Releases Audit of Former Meade County Sheriff's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2018 financial statement of former Meade County Sheriff William Kerrick. 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 former Meade County Sheriff in accordance with accounting principles generally accepted in the United States of America. The former sheriff's financial statement did not follow this format. However, the former 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 comment:

**The former Meade County Sheriff loaned funds from the drug forfeiture account to the fee account:** This is a repeat finding and was included in the prior year audit report as Finding 2017-002. The former sheriff transferred \$96,081 from the drug forfeiture account in January and October and deposited the funds into the fee account. The former sheriff did not transfer the money back from the fee account to the drug forfeiture account as of December 31, 2018. The Meade County Fiscal Court reimbursed the drug forfeiture account \$96,081 on June 12, 2019. The former sheriff said he considered the transfers from the drug forfeiture account to the fee account a "loan."

However, the former sheriff cannot loan money to himself through the transfer of funds from one account to another.

By borrowing from the drug forfeiture account the former sheriff was not in compliance with KRS 218A.420(4). KRS 218A.420(4) states that seized funds are, “to be used for direct law enforcement purposes[.]” This money can be spent for law enforcement purposes, but should not be transferred between accounts for the purpose of a loan. The sheriff may participate in a borrowing program through the state called the State Advancement program. Through this program, the sheriff is limited by KRS 64.140(1) to borrow \$60,000 per month.

We recommend the sheriff’s office no longer borrow funds from the drug forfeiture account. If the sheriff’s office needs additional funds throughout the year, they should request an increase in the amount borrowed through the State Advancement program, or they could use money from the drug forfeiture fund to pay for some allowable direct law enforcement expenses.

*Former 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 audit 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.*

