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### Harmon Releases Audit of Monroe County Sheriff's Office

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2016 financial statement of Monroe County Sheriff Dale Ford. 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 Monroe 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 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 comments:

**The sheriff did not prepare an accurate annual settlement or present excess fees to the fiscal court as required by KRS 134.192.** The sheriff did not prepare an accurate annual settlement of excess fees as required by KRS 134.192. The fourth quarter report was approved by the fiscal court prior to December 31, 2016, and included estimates for the fourth quarter instead of actual receipts and disbursements. Therefore, the fourth quarter report was materially incorrect. Receipts were understated by \$27,363, disbursements were understated by \$18,010, and excess fees were not paid to the Monroe County Fiscal Court due to a lack of oversight by the sheriff. As a result, the sheriff is not in compliance with KRS 134.192.

KRS 134.192(11) states, “[i]n counties containing a population of less than seventy thousand (70,000), the sheriff shall file annually with his or her settlement: (a) A complete statement of all funds received by his or her office for official services, showing separately the total income received by his or her office for services rendered . . . (b) A complete statement of all expenditures of his or her office, including his or her salary, compensation of deputies and assistants, and reasonable expenses.” KRS 134.192(12) states, “[a]t the time he or she files the statements required by subsection (11) of this section, the sheriff shall pay to the governing body of the county any fees, commissions, and other income of his or her office, including income from investments, which exceed the sum of his or her maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants.”

We recommend the sheriff prepare an annual settlement and present excess fees to fiscal court at the close of each calendar year, ensuring compliance with KRS 134.192.

*Sheriff's response: The sheriff did not provide a response.*

**The sheriff did not make daily deposits.** This is a repeat finding and was included in the prior year audit report as Finding 2015-001. The sheriff did not make daily deposits during calendar year 2016. The sheriff lacked adequate internal controls over the receipt process and did not provide adequate oversight in this area. By not making daily deposits, the funds are more susceptible to theft or loss.

The *County Budget Preparation and State Local Finance Officer Policy Manual* outlines the minimum requirements for handling public funds pursuant to KRS 68.210, which includes “daily deposits intact into a federally insured banking institution.”

We recommend the sheriff implement procedures to ensure receipts are deposited daily in order to meet the requirements established by *The County Budget Preparation and State Local Finance Officer Policy Manual*.

*Sheriff's response: The sheriff did not provide a 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](#).

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