



Auditor of Public Accounts
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Harmon Releases Audit of Robertson County Sheriff's Office

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2017 financial statement of Robertson County Sheriff Mark Sutton. 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 Robertson 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 comment:

The sheriff's office lacks adequate segregation of duties over receipts: This is a repeat finding and was included in the prior year audit report as Finding 2016-001. The sheriff's office lacks adequate segregation of duties over receipts. The bookkeeper collects receipts, prepares the daily bank deposit, prepares the daily checkout sheet, and posts items to the receipts ledger. The bookkeeper also prepares the quarterly financial reports and bank reconciliations. According to the sheriff, this is caused by the sheriff's office having a small office staff with only one full-time employee.

A lack of segregation of duties over receipts creates an opportunity for misappropriation of assets such as cash. By having the same employee perform these functions, the risk of undetected misappropriation of assets and inaccurate financial reporting to external agencies such as Department of Local Government increases. Good internal controls dictate that the same employee should not handle, record, and reconcile receipts.

We recommend the sheriff implement compensating controls to offset this weakness. The sheriff should periodically compare the daily bank deposit to the daily checkout sheet and then compare the daily checkout sheet to the receipts ledger. The sheriff should review the quarterly financial report and compare amounts reported on the receipts ledger. The sheriff should document this review process by initialing the daily checkout sheets, deposit slips, and receipts ledger.

Sheriff's Response: Being a small office with limited resources and one full time administrative deputy is why we lack in segregation of duties in our office. I do look over the daily deposits whenever I have the opportunity. With only one law enforcement officer for the county I wear many hats and am not always available to check every daily transaction. I do think if you look at all of our audits you will find our office to be transparent in all aspects of our audits and no misappropriation of funds to our knowledge.

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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