



Auditor of Public Accounts
Mike Harmon

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

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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the 2020 agreed-upon procedures engagement of Russell County Sheriff Derek Polston. 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 Russell 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 Russell 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 exception was identified during the AUP engagement:

- **The sheriff's operating disbursements were compared to the sheriff's approved budget and the sheriff overspent his operating budget by \$71,641.**

County Sheriff's Response: The Russell County Sheriffs Department was extremely fortunate to have received from the Fiscal Court CARES money during the 2020 COVID pandemic. These added funds were presented to the Fiscal Court for budget amendment and received approval, however this department was unaware an additional amendment for expenditures of the CARES money was also required. Upon completion of the 2020 fee audit, it is noted "over budget" on line item. The department did not overspend as excess fees were turned into the fiscal court. Additional monies, such as from CARES, is rare, thus amendments for expenditures were new and a learning experience.

Auditor's Reply: The sheriff's overall total budget was overspent. Budget amendments are necessary to reflect the receipt and expenditure of funds received through a state or federal grant if that grant was not part of the original budget document, per the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Manual*.

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](#).

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