



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

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2022 financial statement of Scott County Sheriff Tony Hampton. 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 statements present fairly the receipts and disbursements of the Scott County Sheriff and the receipts, disbursements, and fund balances of the Scott County Sheriff's operating fund and county fund in accordance with accounting principles generally accepted in the United States of America. The sheriff's financial statements did not follow this format. However, the sheriff's financial statements are 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 internal control over financial operations and reporting.

The audit contains the following finding:

The Scott County Sheriff does not have adequate segregation of duties: The sheriff's bookkeeper prepares daily check-out sheets, prepares daily deposits, prepares and signs disbursement checks, posts transactions to the receipts and disbursements ledger, reconciles monthly bank statements, and prepares quarterly reports. Occasionally the bookkeeper will also collect payments from customers when front line staff coverage is inadequate. Deposits are taken to the bank by someone other than the bookkeeper, although there is no documentation of who makes the deposits. Further, there is no documentation of review of daily checkout sheets, deposit slips, the receipts and disbursements ledger, bank statements, or bank reconciliations.

According to the sheriff, the office has a small administrative staff, and the bookkeeper has been delegated to execute most accounting functions.

We recommend the sheriff implement the segregation of duties over custody of assets, recording function, authorization of disbursements, and reconciliation of books to bank. If these duties cannot be segregated, then the sheriff should implement compensating controls to strengthen oversight of duties performed by the same person.

Sheriff's Response: Due to the small administrative staff within the Scott County Sheriff's Office, there has only been one employee responsible for both the bookkeeping and accounting responsibilities, which has resulted in this comment each year. To provide both transparency and efficiency within our organization, and to be compliant with the State Auditor's Office, we created a Senior Bookkeeper position and implemented a secondary Bookkeeping position this past July. The secondary Bookkeeper will be fully trained in their position by December 31, 2023.

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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