



Auditor of Public Accounts  
Mike Harmon

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

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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2016 financial statement of Todd County Sheriff Tracy White. 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 Todd 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 internal control over financial operations and reporting.

The audit contains the following comment:

**The Todd County Sheriff's internal controls over reporting were not properly functioning and the fourth quarter financial report was materially misstated:** The Todd County Sheriff's fourth quarter financial report for calendar year 2016 was materially misstated. There were significant posting errors on the financial report. Prior year commissions and state payments totaling \$20,879 were included on the current year receipts, gasoline disbursements of \$17,876 were posted twice, and a vehicle purchase of \$16,982 was omitted from the financial report. This is a repeat finding and was included in the prior year audit report as Finding 2015-003.

According to the sheriff these errors were accidentally made. This was the bookkeeper's first year completing the financial report. The sheriff believes these issues have been fixed. Erroneous amounts posted on the financial statement were not caught by the reviewer. By not having a materially accurate financial statement, the sheriff's fourth quarter financial report submitted to the Department for Local Government did not accurately report the financial activities of the sheriff's office for calendar year 2016.

Good internal controls require the fourth quarter financial report be supported by receipts and disbursements ledgers that have been reconciled to bank records and amounts recorded on the financial statement be verified by someone independent of the posting procedures. Independent verification ensures that reports are accurate and that all financial information has been included.

We recommend the sheriff evaluate risks, such as new bookkeeping staff, and implement additional internal controls to ensure that all receipts and disbursements on the ledgers are properly reported on the sheriff's quarterly financial reports.

*Sheriff's Response: Clerk misunderstood direction for a line item. Gas expense was noted in an incorrect location. Clerk has received the proper instruction to correct this issue.*

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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