



Auditor of Public Accounts
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FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Webster County Sheriff's Office

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Webster County Sheriff Frank Springfield. 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 Webster 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 non-compliance 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 and reconciliations. The Webster County Sheriff's Office lacks adequate segregation of duties over receipts and reconciliations. The bookkeeper collects receipts for the office in addition to preparing deposits, preparing daily checkout sheets, and preparing bank reconciliations. This condition is due to limited budget, which restricts the number of employees the sheriff can hire or delegate duties to. The sheriff has also not implemented compensating controls to reduce the effects of this material weakness.

A lack of segregation of duties increases the risk that errors could occur and not be detected. Adequate segregation of duties over receipts and reconciliations or implementation of compensating controls, when necessary due to limited staff size, is essential to reduce the risk of asset misappropriation and help prevent inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities. Documented compensating controls were not in place to offset this control deficiency.

The sheriff or another employee who does not have access to bookkeeping records, cash receipts, bank records or statements should periodically:

- Examine the daily checkout sheet and agree to the deposit ticket, cash receipts ledger and bank statement. Documentation may be evidenced by the reviewer initialing the aforementioned records.
- Compare the receipts ledger to the monthly and quarterly reports and document comparison.
- Monthly bank reconciliations should be reviewed and the review should be documented.
- Perform occasional surprise cash counts.

Any compensating controls implemented should be documented.

Sheriff's response: No 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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