

**REPORT OF THE AUDIT OF THE
HICKMAN COUNTY
SHERIFF**

**For The Year Ended
December 31, 2016**



**MIKE HARMON
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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kenny Wilson, Hickman County Judge/Executive
The Honorable Mark Green, Hickman County Sheriff
Members of the Hickman County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Sheriff of Hickman County, Kentucky, for the year ended December 31, 2016, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



The Honorable Kenny Wilson, Hickman County Judge/Executive
The Honorable Mark Green, Hickman County Sheriff
Members of the Hickman County Fiscal Court

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Hickman County Sheriff on the basis of the accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky’s regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Hickman County Sheriff, as of December 31, 2016, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the Hickman County Sheriff for the year ended December 31, 2016, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2018, on our consideration of the Hickman County Sheriff’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control over financial reporting and compliance.

Based on the results of our audit, we have presented the accompanying Schedule of Findings and Responses, included herein, which discusses the following report comments:

- 2016-001 Prior Year Disallowed Disbursements Have Not Been Reimbursed
- 2016-002 The Hickman County Sheriff Failed To Remit Timely Payroll Payments To The County Treasurer

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

May 25, 2018

HICKMAN COUNTY
MARK GREEN, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2016

Receipts

State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)	\$	8,655
Child Support Enforcement		70
State Fees For Services:		
Finance and Administration Cabinet	\$ 60,419	
Sheriff Security Service	2,454	62,873
Circuit Court Clerk:		
Fines and Fees Collected		871
Fiscal Court		21,566
County Clerk - Delinquent Taxes		3,940
Commission On Taxes Collected		105,408
Fees Collected For Services:		
Auto Inspections	1,395	
Accident and Police Reports	59	
Serving Papers	3,716	
Carry Concealed Deadly Weapon Permits	3,125	8,295
Other:		
Add-On Fees	6,796	
Meals for Jurors	285	
Transporting Mental Patients	1,567	
Transporting Fugitives	1,763	
Miscellaneous	1,607	12,018
Interest Earned		120
Borrowed Money:		
State Advancement		30,000
Total Receipts		253,816

The accompanying notes are an integral part of this financial statement.

HICKMAN COUNTY
 MARK GREEN, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
 For The Year Ended December 31, 2016
 (Continued)

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-		
Deputies' Salaries	\$	31,554
Court Security/Guards		51,912
Part Time Salaries		6,212
KLEFPF		7,030
Employee Benefits-		
Employer's Share Retirement		523
Contracted Services-		
Advertising		100
Materials and Supplies-		
Office Materials and Supplies		2,161
Uniforms		2,742
Communications Expense		7,835
Auto Expense-		
Maintenance and Repairs		182
County Car Service Mileage		26,791
Other Charges-		
Training		2,459
Dues		475
Postage		2,472
Meals for Jurors		285
Miscellaneous		2,785
Trip Receipts		1,200
Carry Concealed Deadly Weapon Expenses		130
Capital Outlay-		
Tax Support Maintenance		1,500
	\$	148,348

Debt Service:

State Advancement		30,000
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Total Disbursements \$ 178,348

The accompanying notes are an integral part of this financial statement.

HICKMAN COUNTY
MARK GREEN, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
For The Year Ended December 31, 2016
(Continued)

Net Receipts	\$ 75,468
Less: Statutory Maximum	<u>71,448</u>
Excess Fees	4,020
Less: Training Incentive Benefit	<u>3,969</u>
Excess Fees Due County for 2016	51
Payment to Fiscal Court - January 30, 2016	<u>51</u>
Balance Due Fiscal Court at Completion of Audit	<u><u>\$ 0</u></u>

The accompanying notes are an integral part of this financial statement.

HICKMAN COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2016

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount, including excess fees, due from the sheriff as determined by the audit. KRS 134.192 requires the sheriff to settle excess fees with the fiscal court at the time he files his annual settlement with the fiscal court on or before September 1 of each year. KRS 64.830 requires an outgoing sheriff to settle excess fees with the fiscal court of his county by March 15 immediately following the expiration of his term of office.

The financial statement has been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework. Under this regulatory basis of accounting, receipts and disbursements are generally recognized when cash is received or disbursed, with the exception of accrual of the following items (not all-inclusive) at December 31 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2016 services
- Reimbursements for 2016 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2016

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the county treasurer in the subsequent year.

C. Cash and Investments

KRS 66.480 authorizes the sheriff's office to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System and Other Post-Employment Benefits

The county official and employees have elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute.

HICKMAN COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2016
 (Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

The sheriff's contribution for KLEFPF salaries for calendar year 2014 was \$1,133, calendar year 2015 was \$1,034, and calendar year 2016 was \$523.

Nonhazardous

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute six percent of their salary to be allocated as follows: five percent will go to the member's account and one percent will go to the KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute five percent of their annual creditable compensation. Nonhazardous members also contribute one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a four percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

The county's contribution rate for nonhazardous employees was 17.06 percent for the first six months and 18.68 percent for the last six months.

Health Insurance Coverage

CERS also provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% Paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

HICKMAN COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2016
(Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 3. Deposits

The Hickman County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the sheriff's deposits may not be returned. The Hickman County Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. As of December 31, 2016, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Drug Forfeiture Fund

The Hickman County Sheriff's Office maintains a drug forfeiture fund. This fund is funded by court-ordered forfeitures of money and property. The funds are to be used for various law enforcement operations and equipment to fight against drug problems in Hickman County. As of January 1, 2016, the drug forfeiture fund had a balance of \$2,847. During the year, no funds were received and funds of \$2846 were disbursed, leaving an ending balance of \$1 as of December 31, 2016.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kenny Wilson, Hickman County Judge/Executive
The Honorable Mark Green, Hickman County Sheriff
Members of the Hickman County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Hickman County Sheriff for the year ended December 31, 2016, and the related notes to the financial statement and have issued our report thereon dated May 25, 2018. The Hickman County Sheriff's financial statement is prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Hickman County Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Hickman County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hickman County Sheriff's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2016-002 to be a material weakness.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hickman County Sheriff's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2016-001.

Views of Responsible Official and Planned Corrective Action

The Hickman County Sheriff's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Sheriff's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

May 25, 2018

SCHEDULE OF FINDINGS AND RESPONSES

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HICKMAN COUNTY
MARK GREEN, SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended December 31, 2016

STATE LAWS AND REGULATIONS:

2016-001 Prior Year Disallowed Disbursements Have Not Been Reimbursed

The 2015 audit of the Hickman County Sheriff's fee account disclosed the sheriff owed \$940 to his drug fund due to disallowed disbursements of the drug fund in finding 2015-001. These disbursements should have been reimbursed to the drug fund from the sheriff's personal funds. Additionally, the sheriff owed \$388 for fee account disallowed expenses that were disclosed in the prior year audit as finding 2015-002. However, follow-up of prior year audit findings revealed that the sheriff failed to reimburse the drug fund or remit additional excess fees due to the fiscal court.

The sheriff did not reimburse the drug fund for these disallowed disbursements because the fiscal court voted to approve the disbursements as being allowable disbursements.

Neither the fiscal court nor the sheriff are in compliance with KRS 67.080(3) and KRS 64.820(1) because the fiscal court is mandated by statute to collect these amounts. The fiscal court does not have the authority to forgive the sheriff's disallowed disbursements or to determine the allowability of drug fund or fee account disbursements. Therefore \$940 determined by the prior year audit are still due the to the sheriff's drug fund from the sheriff's personal funds, as well as \$388 of the sheriff's personal funds are due to the fiscal court for additional excess fees owed.

KRS 67.080(3) states, "[t]he fiscal court shall not exercise executive authority except as specifically assigned by statute." Additionally Section 52 of the Kentucky Constitution forbids the release of liability to the Commonwealth, or to any county or municipality thereof. Since powers of the fiscal court are set by the general assembly, and the general assembly is prohibited from releasing indebtedness or liability, thusly the fiscal court would be prohibited from releasing indebtedness or liability of the sheriff.

KRS 64.820(1) specifically directs the fiscal court to "collect any amount due the county from county officials as determined by the audit of the official conducted pursuant to KRS 43.070 and 64.810 if the amount can be collected without suit." Additionally, KRS 64.820(2) requires the fiscal court to direct the county attorney to institute suit for the collection of the amount reported by the Auditor within ninety days if the amount is not paid.

KRS 43.070(1)(a) requires an audit, "[t]o determine whether any unauthorized, illegal, irregular, or unsafe handling or disbursement of revenue or other improper practice of financial administration has occurred and to assure that all proper items have been duly charged, taxed, and reported, the Auditor shall audit annually: 1. The funds contained in each county's budget; and 2. The books, accounts, and papers of all county clerks and sheriffs."

We recommend that the Hickman County Sheriff reimburse the drug fund account \$940 and remit excess fees of \$388 to the fiscal court, to be paid from his personal funds to cover the disallowed disbursements for calendar year 2015.

Sheriff's Response: Since taking office in 2011, I have used the same forms when making buys using drug fund money that was in the drug account. Nothing was said about the forms or paperwork that I was using until the 2013 audit. When I was audited from 2013-2015 for one reason or another there were some disbursements found to be disallowed and these monies were paid back from my personal account even after I would make what I felt was valid arguments that's the paperwork and forms were correct. In the audit for 2015, there was nothing spent out of the drug account that didn't have a receipt or proper documentation to show exactly where or how the money was spent.

HICKMAN COUNTY
 MARK GREEN, SHERIFF
 SCHEDULE OF FINDINGS AND RESPONSES
 For The Year Ended December 31, 2016
 (Continued)

STATE LAWS AND REGULATIONS: (Continued)

2016-001 Prior Year Disallowed Disbursements Have Not Been Reimbursed (Continued)

Sheriff's Response: (Continued)

Final auditors report recommended that I reimburse \$940 to the Drug account and an additional \$388 to the fiscal court. During a 2016 fiscal court meeting I showed the magistrates, judge executive and county attorney the same paperwork and other documents that had also been provided to the auditors office in 2015. Each of the magistrates voted that they found disbursements to be allowed and I was told that I would not have to pay back the amount of money according to the audit. For the past couple of years before this 2016 fiscal court meeting, I had been told numerous times from sheriffs of other Kentucky Counties along with other county officials that the fiscal court could disagree with an audit and if they do chose I would be forgiven. This was also the believe of the audit her that currently on it's my office, she thought as well that a fiscal court could forgive if they found the disbursements to have been allowable. A couple of questions I have are one should former and current ministrations not have to go back and pay back their counties as well who have been forgiven? Is an auditor's opinion that something they found to be disallowed disbursements not subject to argument? Enclosing there have been MASSIVE improvements to the 2016 sheriffs office audit. Myself, my office clerk, and a deputy have been responsible for making sure that everything was done better then in years past and this audit proves that. I ask for the supervisors in Frankfort to look at the changes and the fact that the fiscal court looked at the same documents/documentation and they all agreed that in their opinion it was allowable disbursements.

Auditor's Reply: Disbursements from the drug forfeiture fund in 2015 were disallowed due to a lack of sufficient supporting documentation. While copies of receipts were provided to auditors during audit testing, the receipt for purchase of a firearm did not come from an outside vendor. The receipts for narcotic purchases contained date discrepancies indicating they were not completed contemporaneously with the transactions and were therefore insufficient. Because of the insufficient supporting documentation, these items were disallowed.

Determination of the allowability of disbursements of the sheriff's fee account or drug account is not a power granted to the fiscal court by the laws and regulations of the Commonwealth of Kentucky and the fiscal court shall not exercise executive authority except as specifically assigned by statute, per KRS 67.080(3).

INTERNAL CONTROL - MATERIAL WEAKNESS:

2016-002 The Hickman County Sheriff Failed To Remit Timely Payroll Payments To The County Treasurer

In calendar year 2016, the sheriff was frequently one or two months late in disbursing paying payroll payments to the county treasurer. Also, the sheriff did not pay the employer's share of Kentucky Law Enforcement Foundation Program Fund (KLEFPF) retirement for one employee who earned KLEFPF wages.

According to staff of the sheriff's office, payroll payments were frequently late due to the lack of available funds throughout the year. Also, according to the staff of the sheriff's office, the sheriff did not pay the employer's share of KLEFPF retirement for one employee because there was confusion about who was responsible for paying the employer's share of KLEFPF retirement for the employee because the fiscal court paid the employee's regular wages. Because of this, the sheriff's office failed to meet all of its payroll obligations in a timely manner.

HICKMAN COUNTY
MARK GREEN, SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2016
(Continued)

INTERNAL CONTROL - MATERIAL WEAKNESS: (Continued)

2016-002 The Hickman County Sheriff Failed To Remit Timely Payroll Payments To The County Treasurer
(Continued)

Sound accounting practices dictate the sheriff's office meet its financial obligations in a timely manner. Furthermore, because the sheriff was reimbursed by the state for the employer's share of KLEFPF retirement, the sheriff was responsible for paying the employer's share of KLEFPF retirement for all employees who earned KLEFPF wages. Therefore, we recommend that the sheriff remit payroll payments, including the employer's share of KLEFPF retirement, to the county treasurer on a timely basis.

Sheriff's Response: It is impossible with the small amount of money that's brought into the sheriffs office for the payroll to be paid back to the treasurer in full usually until January of the next year. I made the decision that we will pay back the state advancement of \$30,000 and this depletes most all of our available monies until we receive our from taxes in January, then the payroll is paid to the treasurer.