# REPORT OF THE AUDIT OF THE FORMER MUHLENBERG COUNTY SHERIFF

For The Period January 1, 2020 Through September 29, 2020



# MIKE HARMON AUDITOR OF PUBLIC ACCOUNTS

www.auditor.ky.gov

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# MIKE HARMON AUDITOR OF PUBLIC ACCOUNTS

The Honorable Curtis McGehee, Muhlenberg County Judge/Executive The Honorable William Ward, Muhlenberg County Sheriff Members of the Muhlenberg County Fiscal Court

Independent Auditor's Report

## **Report on the Financial Statement**

We were engaged to audit the accompanying Statement of Receipts, Disbursements, and Excess Fees -Regulatory Basis of the former Sheriff of Muhlenberg County, Kentucky, for the period January 1, 2020 through September 29, 2020, 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 this 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 a 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 conducting an 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. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

209 ST. CLAIR STREET

Our basis for disclaiming is that we were unable to obtain required written management representation from the former Muhlenberg County Sheriff, which results in a management-imposed scope limitation. Management is required to provide written representations to assert that they have fulfilled their responsibility for the preparation and fair presentation of the financial statements and that the information provided to the auditor is complete. Due to the former Muhlenberg County Sheriff passing away, we were unable to place appropriate reliance on the information provided during the audit and, therefore, cannot reduce the audit risk to an acceptable level.



The Honorable Curtis McGehee, Muhlenberg County Judge/Executive The Honorable William Ward, Muhlenberg County Sheriff Members of the Muhlenberg County Fiscal Court

# **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis of Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2021, on our consideration of the former Muhlenberg 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 former Muhlenberg County Sheriff'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 comment:

2020-001 The Former Muhlenberg County Sheriff's Fourth Quarter Financial Statement Was Materially Misstated

Respectfully submitted,

Mike Harmon

Auditor of Public Accounts

October 7, 2021

# MUHLENBERG COUNTY RICKI ALLEN, FORMER SHERIFF FOURTH QUARTER FINANCIAL STATEMENT

For The Period January 1, 2020 Through September 29, 2020

		Form For Budget,	Cumulative Qua	arterly Report an	d Annual Settlen	nent For Calenda	r Year 2020			AUHLENBERG COUNTY
4				Muhlenberg Cou						E E
Ī			Part One - Su	mmary and Reco		Accounts		Column 5		ž
	Show & Describe All Accounts	2020 Fee	Account 202	20 Fee Account	Account	Acco	unt -	Account		
	Receipts YTD	Budget E	stimate Cur	nulative Actual \$703,698.52	(NOT FEE ACCOUNT	T) (NOT FEE A	CCOUNT) (N	OT FEE ACCOUNT)		
	2. Total Disbursements	YTD \$7	714,910.00	\$703,698.52						
	3. Book Balance/Excess	s Fees								
	4. Bank Statement Bala			\$289,470.67 \$100.00						
	<ol> <li>Plus Deposits in Trar</li> <li>Less Outstanding Ch</li> </ol>			\$289,570.67						
	7. Other 8. Reconciled Bank Bala	ance		\$0.00						
				40.00						
	<ol> <li>Accounts Receivable</li> <li>Unpaid Obligations a</li> </ol>		19			_			•	
	11. Excess Fees									
	Instructions: This form is the requi- following approval submit to the sta- recopits on a cash basis for the year year to date for all accounts. Show Jinn S. Show total deposits made pr investments. Jine S. Show line 4 as 12/31. Show calculation in Part Th Third Floor, Frankfort, KY 40601 E	red format for the budget and t ate local finance officer. QUAB to date including any beginning	the quarterly report. BUDG (TERLY REPORT: The quarte se balances for all accounts	ET: After completing the buc erly report is cumulative. She Show current year fee accor-	iget estimate columns of Par yw the status of all funds in t ent in COLUMN 2 as calcula	rts One, Two and Three, subm the official's charge during ca ated in Part Two of report. L	it to the fiscal court for appro lendar year to date in Part Ot ne 2 Show total disburseme	oval by January 15th and ne. <u>Line 1</u> Show total ents on a cash basis for the		
	year to date for all accounts. Show Line 5 Show total deposits made pr	current year fee account in CC ior to close of quarter that are	DLUMN 2 as calculated in Pa not reflected in bank statems	ent(s). Line 6 Show total am	ow difference between lines ount of checks issued prior t	s 1 and 2 for all accounts. Liz to close of quarter that are no	e.4 Show bank statement be reflected in bank statement;	lance(s) at close of quarter.  a). <u>Line 7</u> Show		
	12/31. Show calculation in Part Th	ree of report. Line 11 Complet	e for quarter ending 12/31	Show line 8 adjusted for line	s 9 and 10. All debt to be sl	hown in Part Four. Report du	to: State Local Finance Off	icer, 100 Airport Road,		
			•							
		_	1							
	Approved by the fiscal co	urt on the 14 day o	canuary	, 20 <u><b>2</b> </u> .	To the best of my kn	nowledge the informa	tion reported hereir	for the		
	and	\	1-14-21		budget/quarter end	led December 31, 20	20 is accurate and	complete. K-Z/		
	County Judge/Exect	utive Dat	e 1 1-1 2 (	-	Signatu	ure of County Sheriff		Date		
y Sheriff's Budget and Repor	t.			All Account	s				Pay	age Iof5
y Sheriff's Budget and Repor	ı			All Account	s				Pa	age lof5
				All Account					Pi,	
1132.002 Rev. 10/09	t .			All Account					Pi	
1132.002 Rev. 10/09				All Account					Pi	
1132.002 Rev. 10/09	Part Two	Budget	1/1 thru	4/1 thru	7/1 thru	10/1 thru	Total	Accounts	Settlement	
1132.002 Rev. 10/09		Budget Estimate	1/1 thru 3/31			10/1 thru 12/31	Total YTD	Accounts Receivable 12/81		
1132.002 Rev. 10/09	Part Two Receipts			4/1 thru	7/1 thru				Settlement	
1132.002 Rev. 10/09  1. Federal G. 2. State Grar	Part Two Receipts			4/1 thru	7/1 thru				Settlement	
1132.002 Rev. 1009  1. Federal Gr 2. State Grar 3. State - KJ Commonw	Part Two Receipts rants its			4/1 thru	7/1 thru				Settlement	
1132.002 Rev. 1009  1. Federal G. 2. State Grar 3. State - KJ. Commonw 4. Sheriff	Part Two Receipts rants Its EFFP resulth of KY See Service (HB452)	Estimate	3/31 \$2,367.77	4/1 thru 6/30 \$2,942.97	7/1 thru	12/31 \$1,668.00	YTD \$8,953.18		Settlement	
1132.002 Rev. 1009  1. Pederal G. 2. State Grar 3. State - KLl Commonv 4. Sheriff 5. KCPC T	Part Two Receipts rants its EFFF readth of KY See Service (HB452) Transports	\$12,000.00 \$4,000.00	\$2,367.77 \$256.66	4/1 thru 6/30 \$2,942.97 \$255.53	7/1 thru 9/30 \$1,974.44	\$1,668.00 \$244.14	\$8,953.18 \$754.33		Settlement	
1132.002 Rev. 1009  1. Pederal G. 2. State Grar 3. State - KLI Commonv 4. Sheriff 5. KCPC 1 6. Month. 7. Deling	Part Two Receipts rants ts ts ETP readth of KY See Service (HB452) Transports ty be Claims	Estimate	3/31 \$2,367.77	4/1 thru 6/30 \$2,942.97	7/1 thru 9/30	12/31 \$1,668.00	YTD \$8,953.18		Settlement	
1132.002 Rev. 1009  1. Pederal Gr. 2. State Graz. 3. State - XIJ. Commonv 4. Sheriff 5. KCPC 6. Month 7. Deling Circutt Clc	Part Two Receipts rants ts SEPP realth of KY See Service (HB452) Transports by Fee Claims tent Tax rk	\$12,000.00 \$4,000.00 \$74,000.00 \$500.00	\$2,367.77 \$256.66	4/1 thru 6/30 \$2,942,97 \$253.53 \$14,882.60	7/1 thru 9/30 \$1,974.44	\$1,668.00 \$244.14	\$8,953.18 \$8,953.8 \$754.33 \$60,376.84		Settlement	
1. Federal G. 2. State Grar 3. State - KI. Commonw. 4. Sheriff 5. KCPC 1. Deling Circuit Cl. S. Sheriff 7. Deling Circuit Cl. S. Sheriff 8. Sheriff 7. Circuit Cl. S. Sheriff 8. Sheriff 7. Circuit Cl. S. Sheriff 8. Sheriff 8. Sheriff 8. Sheriff 9. Sherif	Part Two Receipts rants Its EFFP See Service (HB452) Transports by Pee Claims Leent Tex rk Security Services	\$12,000.00 \$4,000.00 \$74,000.00 \$700.00	\$2,367.77 \$256.66 \$16,916.13	4/1 thru 6/30 \$2,942,97 \$253,53 \$14,882,60 \$34,32	7/1 thru 9/30 \$1,974.44 \$18,048.63	\$1,668.00 \$244.14 \$10,529.48	\$8,953.18 \$754.33 \$60,376.84 \$34.32		Settlement	
1132.002 Rev. 1009  1 Pederal Gi 2 State Gram Commonv 4 Sherif 5 KCPC 1 6 Month 7 Deling Circuit Cle 8 Sheriff 9 Fines/F	Part Two Receipts  rants  IS  EST  Frants  IS  Frants	\$12,000.00 \$4,000.00 \$74,000.00 \$500.00 \$500.00	\$2,367.77 \$256.66	4/1 thru 6/30 \$2,942,97 \$253.53 \$14,882.60	7/1 thru 9/30 \$1,974.44	\$1,668.00 \$244.14 \$10,529.48	\$8,953.18 \$754.33 \$60,376.84 \$34.32		Settlement	
1. Pederal C. 2. State Grar 3. State - KL. Commonv 4. Sherif 5. KCPC 1. Circuit Cl. Circuit Cl. S. Sherif 9. Pines/F 9. Pines/F 10. Fiscal County Cl. County Cl. County Cl. County Cl. Circuit Cl. S. Sherif 9. Pines/F 10. Fiscal County Cl. Coun	Part Two Receipts  rants Is EFFP  vealth of KY See Service (HB452)  Transports by Pec Claims  tent Tax  rick  Security Services  ees Collected  d stotales Betton Comes.)	\$12,000.00 \$4,000.00 \$74,000.00 \$700.00	\$2,367.77 \$256.66 \$16,916.13	4/1 thru 6/30 \$2,942,97 \$253,53 \$14,882,60 \$34,32	7/1 thru 9/30 \$1,974.44 \$18,048.63	\$1,668.00 \$244.14 \$10,529.48	\$8,953.18 \$754.33 \$60,376.84 \$34.32		Settlement	
1132.002 Rev. 1009  1	Part Two Receipts  rants  IS  EFF  realth of KY  see Service (IB452)  Transports  ty Pec Claims  ment Tax  rk  Security Services  ese Collected  d includes Esettine Comm.)  rk Collingman taxed  so on Taxes Collected	\$12,000.00 \$4,000.00 \$74,000.00 \$500.00 \$500.00 \$1,000.00	\$2,367.77 \$256.66 \$16,916.13	4/1 thru 6/30 \$2,942.97 \$253.53 \$14,882.60 \$34.32	7/1 thru 9/30 \$1,974.44 \$18,048.63	\$1,668.00 \$244.14 \$10,529.48 \$3,716.40 \$1,785.00	\$8,953.18 \$754.33 \$60,376.84 \$34.32		Settlement	
1132.002 Rev. 1009  1. Federal Gr. 2. State Grat Commonv 4. Sherif 5. KCPCT 6. Month 7. Deling Greutt Gl. 8. Sherif 9. Fiseal Cou	Part Two Receipts  rants  ts  ETP  realth of KY  See Service (HB452)  Transports  by Fee Claims  tent Tax  rk  Security Services  Security Services  Trices Collected  of nonans person come.)  rk Collegent toom  son Taxes Collected  ted for Services	\$12,000.00 \$4,000.00 \$74,000.00 \$700.00 \$500.00 \$500.00 \$22,000.00 \$22,000.00	\$2,567.77 \$256.66 \$16,916.13 \$7,844.09 \$1,702.71 \$120,133.31	4/1 thru 6/30 \$2,942.97 \$255.53 \$14,882.60 \$34,32 \$4,403.11 \$13,287.05 \$15,321.14	7/1 thru 9/30 \$1,974.44 \$18,048.63 \$2,554.80 \$37,062.19 \$54,207.46	\$1,668.00 \$244.14 \$10,529.48 \$3,716.40 \$1,785.00 \$3,718.96 \$284,115.92	\$8,953.18 \$754.33 \$60,376.84 \$34.32 \$18,518.40 \$1,785.00 \$55,770.91 \$473,777.83		Settlement	
1132.002 Rev. 1009  1. Federal Gr. 2. State Graz. 3. State - KI. Commonv 4. Sheriff 7. Deling Gircuit Cl. 8. Sheriff 10. Fiseal Com 11. County Cl. 12. Commission Fees Collec 13. Act of	Part Two Receipts  rants  ts  EFFP  readth of KY  See Service (HB452)  Transports  by Fee Claims  ment Tox  rik  Security Services  Security Services  Tric Collingment toxel	\$12,000.00 \$4,000.00 \$74,000.00 \$500.00 \$500.00 \$500.00 \$25,000.00 \$1,000.00 \$22,000.00 \$450,000.00	\$2,567.77 \$256.66 \$16,916.13 \$7,844.09 \$1,702.71	4/1 thru 6/30 \$2,942.97 \$255.53 \$14,882.60 \$34.32 \$4,403.11	7/1 thru 9/30 \$1,974.44 \$18,048.63 \$2,554.80 \$37,062.19	\$1,668.00 \$244.14 \$10,529.48 \$3,718.40 \$1,785.00 \$284,115.92 \$284,115.92 \$340.00 \$61.00	\$8,953.18 \$754.33 \$60,376.84 \$54.32 \$18,518.40 \$1,785.00 \$55,770.91 \$473,777.83 \$473,777.83		Settlement	
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1132.002 Rev. 1009  1	Part Two Receipts  rants  IS  SEFF  Wealth of KY See Service (JB452)  Transports  ty bec Claims  went Tax  rk  Security Services  See Collected  d sactase Bestine Crama)  rk Colleapane tuno  ns on Taxes Collected  ted for Services  specions  tt/Police Reports  Papers  LOW Free  LOW Fre	\$12,000.00 \$4,000.00 \$74,000.00 \$750.00 \$500.00 \$25,000.00 \$1,000.00 \$22,000.00 \$400,000.00 \$300,000 \$75,000.00 \$75,000.00	\$2,367.77 \$256.66 \$16,916.13 \$7,844.09 \$1,702.71 \$120,135.31 \$1,210.00 \$31,00 \$9,580.00 \$9,754.45	4/1 thru 6/30 \$2,942,97 \$253,53 \$14,882,60 \$34,32 \$13,287,05 \$15,321,14 \$850,00 \$45,00 \$2,720,00	7/1 thru 9/30 \$1,974.44 \$18,048.63 \$2,554.80 \$37,062.19 \$54,207.46 \$125.00 \$6,930.97 \$2,400.00	\$1,668.00 \$244.14 \$10,529.48 \$3,716.40 \$1,785.00 \$3,718.96 \$244,115.92 \$40.00 \$61.00 \$3,070.00 \$3,070.00	\$8,953.18 \$754.33 \$60,376.84 \$34.32 \$18,518.40 \$1,785.00 \$55,770.91 \$473,777.83 \$3,870.00 \$22,200.97 \$9,660.00 \$44,591.54		Settlement	
1. Federal G. 2. State Grar 3. State - KI. 5. KCPC: 6. Month, 7. Deling Circuit Cl. 10. Freed Free 10. Freed Free 11. County Cl. 12. Commission Fees Collec 13. Action 14. Accider 15. Serving 16. CCDW 17. Sheriff 18. Other (des	Part Two Receipts  rants  Its  EFFP  realth of KY  See Service (HB452)  Transports  by Pee Claims  seent Tax  rk  Security Services  eese Collected  rt claims tunes  to fundame from comm.)  rk (Minispere tune)  rk (Minispere tune)  rk (Minispere tune)  trk (Minisp	\$12,000.00 \$4,000.00 \$74,000.00 \$500.00 \$500.00 \$25,000.00 \$1,000.00 \$22,000.00 \$450,000.00 \$32,000.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00 \$500.00	\$2,367.77 \$256.66 \$16,916.13 \$7,844.09 \$1,702.71 \$120,133.31 \$1,210.00 \$9,580.00 \$1,920.00 \$9,754.45	4/1 fbru 6/30 \$2,942.97 \$253.53 \$14,882.60 \$34.92 \$15,287.05 \$15,321.14 \$850.00 \$2,720.00 \$1,800.00 \$29,505.74	7/1 thru 9/30 \$1,974.44 \$18,048.63 \$2,554.80 \$37,062.19 \$54,207.46 \$940.00 \$125.00 \$6,930.97 \$2,400.00 \$5,351.35	\$1,668.00 \$244.14 \$10,529.48 \$3,716.40 \$1,755.00 \$3,718.96 \$284,115.92 \$840.00 \$3,370.00 \$3,370.00	\$8,953.18 \$754.33 \$60,376.84 \$34.32 \$11,785.00 \$55,770.91 \$473,777.83 \$3,870.00 \$22,300.97 \$9,660.00 \$44,591.54 \$15.24 \$2,523.00		Settlement	MUHENBERG COUNTY
1132.002 Rev. 1009  1	Part Two Receipts rants tis  ETP readth of KY See Service (HB452) transports ty bee Calims ment Tax rk Security Services ees Collected of notates pertan Conna) rk Collegents tone ns on Taxes Collected ted for Services perceions tr/Police Reports Papers  10% Fees 117/80k	\$12,000.00 \$4,000.00 \$74,000.00 \$750.00 \$500.00 \$25,000.00 \$1,000.00 \$22,000.00 \$400,000.00 \$300,000 \$75,000.00 \$75,000.00	\$2,367.77 \$256.66 \$16,916.13 \$7,844.09 \$1,702.71 \$120,135.31 \$1,210.00 \$31,00 \$9,580.00 \$9,754.45	4/1 thru 6/30 \$2,942.97 \$253.53 \$14,882.60 \$34.32 \$4,403.11 \$13,287.05 \$15,321.14 \$850.00 \$45.00 \$2,720.00 \$1,800.00 \$29,505.74	7/1 thru 9/30  \$1,974.44  \$18,048.63  \$2,554.80  \$37,062.19  \$54,207.46  \$125.00  \$125.00 \$51,207.46  \$540.00 \$51,207.46	\$1,668.00 \$244.14 \$10,529.48 \$3,716.40 \$1,785.00 \$3,718.96 \$244,115.92 \$40.00 \$61.00 \$3,070.00 \$3,070.00	\$8,953.18 \$754.33 \$60,376.84 \$34.32 \$18,518.40 \$11,785.00 \$55,770.91 \$473,777.83 \$3,870.00 \$22,200.97 \$9,660.00 \$44,591.54 \$515.24 \$15.24		Settlement	
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# MUHLENBERG COUNTY RICKI ALLEN, FORMER SHERIFF FOURTH QUARTER FINANCIAL STATEMENT For The Period January 1, 2020 Through September 29, 2020 (Continued)

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	Part Three Disbursements	Budget Estimate	1/1 thru 3/31	4/1 thru 6/30	7/1 thru 9/30	10/1 thru 12/31	Total YTD	Unpaid Obligations 12/91	Settlement Total	) Time of the second se
į	34. Auto Expenses on Personal Vehicles					-				
	35. Gasoline									
	<ol> <li>Maintenance and repairs</li> </ol>									
	37. Rec Insurance									
	38. Depreciation									
	39.									
	40. Debt Service (Borrowed money, interest, lease/purchases	0								
	41. State Advancement									
	42. Notes									
	43. Interest									
	44.									
	45. Capital Outlay (Ourright purchases of tengible items last	ting in nature)								
	46. Office Equipment									
	47. Vehicles									
	48.			-						
	49.									
	50. Total Official Expenses	\$250.00	\$19.76							
	For offices that fee pool, pay fees to county prior to Decembe									
	51. Payments to County Treasurer	\$714,660.00	\$173,438.14	\$86,076.15	\$130,090.92	\$314,073.55	\$703,678.76			
	52. Payments to State Treasurer									
	53. Total Disbursements (Total lines 50, 51, and 52)	\$714,910.00	\$173,457.90	\$86,076.15	\$130,090.92	\$314,073.55	\$703,698.52			
		Copy the figures shown on line 53	in the Budget Estimate column to the	Summery on page 1, column 1,	line 2. Copy the figure shown on L	ine 53 in the Total YTD column to	page I, column 2, line 2. Copy t	he figure shown on Line 53 in the I	Unpeid column (use	

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





# MIKE HARMON AUDITOR OF PUBLIC ACCOUNTS

The Honorable Curtis McGehee, Muhlenberg County Judge/Executive The Honorable William Ward, Muhlenberg County Sheriff Members of the Muhlenberg 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 engaged to audit, 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 former Muhlenberg County Sheriff for the period January 1, 2020 through September 29, 2020, and the related notes to the financial statement and have issued our report thereon dated October 7, 2021. Our report disclaims an opinion on the financial statement because we were unable to obtain written management representation.

# **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the former Muhlenberg County Sheriff's internal control over financial reporting (internal control) as a basis for designing 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 former Muhlenberg County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the former Muhlenberg 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 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 2020-001 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 former Muhlenberg 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 financial statement. 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 matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Responses as item 2020-001.

#### Views of Responsible Official and Planned Corrective Action

The Muhlenberg County Sheriff's office views and planned corrective action for the finding identified in our audit is included in the accompanying Schedule of Findings and Responses. The Muhlenberg County Sheriff's office response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

# **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

Mike Harmon

Auditor of Public Accounts

October 7, 2021





# MUHLENBERG COUNTY WILLIAM WARD, SHERIFF SCHEDULE OF FINDINGS AND RESPONSES

For The Period January 1, 2020 Through September 29, 2020

### **FINANCIAL STATEMENT FINDING:**

2020-001 The Former Muhlenberg County Sheriff's Fourth Quarter Financial Statement Was Materially Misstated

The former Muhlenberg County Sheriff's Fourth Quarter Financial Statement, for the period January 1, 2020 through September 29, 2020, was materially inaccurate. The receipts were overstated by \$313,876. Adjustments were required so that the fourth quarter financial statement would agree to the former sheriff's ledgers.

This was due to an error when preparing the fourth quarter financial statement that was presented to fiscal court. The financial statement that was approved by the fiscal court included the entire calendar year of 2020, instead of just the time period the former sheriff was in office. The first, second, and third quarter receipts were accurate, but because the financial statement included the last quarter of the year, the financial statement was materially misstated.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The Department for Local Government's (DLG) County Budget Preparation and State Local Finance Officer Policy Manual requires accurate financial reporting. Fee official use 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. Each period stands alone in accounting for receipts and disbursements and should be accounted for accordingly in each audit period. Furthermore, strong internal controls over the financial process are essential to ensure all receipts and disbursements are properly accounted for and classified on the financial statement.

We recommend the Muhlenberg County Sheriff's office maintain accurate financial reports and separate receipts by audit period in the future.

Sheriff's Response: Due to the sudden and unexpected death of former Muhlenberg County Sheriff Ricki Allen on September 29, 2020, all financial accounts of the Muhlenberg County Sheriff were immediately halted; the only exceptions being the Fee and Franchise Tax Accounts. Sheriff's office personnel immediately sought guidance and accounting direction from employees within the State Auditor's office. The advice and recommendations received on how to properly proceed with the quarterly reports and accounting was precisely followed by the Muhlenberg County Sheriff's Office. Notwithstanding, the Muhlenberg County Sheriff's Office agrees with the recommendations of this finding and will continue to maintain accurate financial reports and separate receipts by audit period in the future.