

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
BOONE COUNTY SHERIFF**

**For The Period  
January 1, 2021 Through December 31, 2021**



**MIKE HARMON  
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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

**SUMMARY OF PROCEDURES AND FINDINGS**

**AGREED-UPON PROCEDURES OF THE  
BOONE COUNTY SHERIFF**

For The Period January 1, 2021 Through December 31, 2021

The Boone County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (AUP) engagement for calendar year 2021 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. The summary below presents those findings for which an exception (an instance of noncompliance with the criteria) was identified during the AUP engagement.

During the AUP engagement of the Boone County Sheriff, the following exceptions were noted:

- The December 31, 2021 bank reconciliations were not accurate. The recomputed combined fee accounts reconciled balance differs from the sheriff's reconciled balance by \$3,140,348 due to an outstanding check left off the sheriff's reconciliation. No additional funds are due to the state repository for the 75% or 25% accounts.
- Receipts are not being properly accounted for. Daily deposits are not being made intact as the sheriff's office takes cash out of the daily receipts to make disbursements for court ordered juror meals.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above but can be found in the full report. A copy of this report is available on the Auditor of Public Accounts' website at [auditor.ky.gov](http://auditor.ky.gov).

Respectfully submitted,

Mike Harmon  
Auditor of Public Accounts  
September 1, 2022



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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

The Honorable Gary W. Moore, Boone County Judge/Executive  
The Honorable Michael A. Helmig, Boone County Sheriff  
Members of the Boone County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Boone County Sheriff, related to the sheriff's compliance with the Department for Local Government's *Financial Operations in Counties with Population of 70,000 or More* regarding the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2021 through December 31, 2021. An agreed-upon procedures engagement involves the APA performing specific procedures that the sheriff has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. The Boone County Sheriff is responsible for compliance with these requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose. The Boone County Sheriff has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the sheriff's compliance with the Department for Local Government's *Financial Operations in Counties with Population of 70,000 or More* regarding the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities. The purpose of the engagement is to assist users in determining whether the sheriff complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are as follows:

1. Procedure -

Determine if the sheriff has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the sheriff's fourth quarter financial statement agrees to the sheriff's receipts ledger and disbursements ledger. Variances in total receipts or total disbursements that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.



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 (Continued)

### 3. Procedure -

Compare the sheriff's operating disbursements (Total disbursements per EMARS 2550 Reconciliation) to the general term order estimated expenditures which the fiscal court or other approving authority approved, either in total or by operating category, to determine if the sheriff overspent the general term order.

#### Finding -

No exceptions were found as a result of applying the procedure.

### 4. Procedure -

Determine if the sheriff has reconciled the 75% account to the EMARS 2550 report.

#### Finding -

No exceptions were found as a result of applying the procedure. The ending reconciled balance as of December 31, 2021 is (\$2,151,561).

### 5. Procedure -

Obtain a list of accounts prepared by the sheriff that are applicable to the current calendar year.

#### Finding -

No exceptions were found as a result of applying the procedure. The sheriff maintains 2011-2014 term fee account, 2015-2018 term fee account, 2019-2022 term fee account, equipment fund (aka state forfeiture) account, federal forfeiture - department of justice account, federal forfeiture - department of treasury account, and seized account.

### 6. Procedure -

Determine if the sheriff reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2021, to determine the reconciled ending balances and if bank reconciliations are accurate. Determine if any additional funds are due to the state repository for 75% or 25% accounts.

#### Finding -

The December 31, 2021 bank reconciliations were not accurate. The reconciled ending balances of the sheriff's accounts are:

<u>Account Name:</u>	<u>Reconciled Account Balance:</u>
Combined Fee Accounts	\$ 2,778,051
Equipment Fund (aka State Forfeiture)	\$ 6,220
Federal Forfeiture - Dept. of Justice	\$ 9,058
Federal Forfeiture - Dept. of Treasury	\$ 0
Seized Account	\$ 635,281

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(Continued)

6. Finding - (Continued)

The recomputed combined fee accounts reconciled balance differs from the sheriff's reconciled balance by \$3,140,348 due to an outstanding check left off the sheriff's reconciliation. No additional funds are due to the state repository for the 75% or 25% accounts.

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

Receipts are not being properly accounted for. Daily deposits are not being made intact as the sheriff's office takes cash out of the daily receipts to make disbursements for court ordered juror meals.

*Sheriff's Response: We will review this process.*

8. Procedure -

Determine if the sheriff completed an annual asset forfeiture report. Determine if assets forfeited to the sheriff, are properly accounted for by tracing the asset to a bank deposit, receipts ledger, or asset ledger and determine if amounts due to the commonwealth attorney were remitted.

Finding -

No exceptions were found as a result of applying the procedure.

9. Procedure -

Determine if tax commissions are properly accounted for by computing the sheriff's current calendar year tax commission from prior year taxes and current year taxes using the prior year sheriff tax settlement and current year recap of tax reports. Variances that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

10. Procedure -

Judgmentally select 15 operating disbursements from the sheriff's records and agree amounts paid to invoices or other supporting documentation and cancelled check. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business.

Finding -

No exceptions were found as a result of applying the procedure.

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11. Procedure -

Judgmentally select one month's imprest cash voucher and review the attached receipts to determine if disbursements are for official business. Verify imprest cash vouchers are submitted monthly and agree to amounts reimbursed by the 75% account.

Finding -

No exceptions were found as a result of applying the procedure.

12. Procedure -

Verify the sheriff's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees.

Finding -

No exceptions were found as a result of applying the procedure.

14. Procedure -

Determine that the sheriff was paid the statutory salary as fixed by the Department for Local Government salary schedule.

Finding -

The sheriff was paid \$124,580. The statutorily required salary was \$124,580.

15. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

No exceptions were found as a result of applying the procedure.

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Members of the Boone County Fiscal Court  
(Continued)

16. Procedure -

Verify the sheriff is properly bonded for the period covered by the agreed upon procedures.

Finding -

No exceptions were found as a result of applying the procedure.

We were engaged by the Boone County Sheriff to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Boone County Sheriff and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to present the procedures performed and the results of those procedures and is not intended for any other purpose. This report is intended solely for the information and use of the Boone County Sheriff and the Boone County Fiscal Court, and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

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

Mike Harmon  
Auditor of Public Accounts

September 1, 2022