

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

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



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

SUMMARY OF PROCEDURES AND FINDINGS

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

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

The Bullitt 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 Bullitt County Sheriff, the following exceptions were noted:

- The sheriff reconciles all bank accounts monthly. The reconciliations for the fee, telecommunications, drug fund account - state, and hyde accounts were not accurate.
- Imprest receipts are for official business and the cash vouchers are submitted monthly. However, the January 2021 imprest cash voucher was not reimbursed by the 75% account.
- Payroll charges are properly supported, except for 5 salaried employees who did not fill out timesheets.
- The sheriff's agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not disclosed properly on the fourth quarter financial statement.

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.

Respectfully submitted,

Mike Harmon
Auditor of Public Accounts
June 13, 2022



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Jerry Summers, Bullitt County Judge/Executive
The Honorable Walt Sholar, Bullitt County Sheriff
Members of the Bullitt County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Bullitt County Sheriff, related to the sheriff's compliance with the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* 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 Bullitt 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 Bullitt 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 *County Budget Preparation and State Local Finance Officer Policy Manual* 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.



The Honorable Jerry Summers, Bullitt County Judge/Executive
 The Honorable Walt Sholar, Bullitt County Sheriff
 Members of the Bullitt County Fiscal Court
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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 \$1,166,537.

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 fee, imprest, credit card, telecommunications, asset forfeiture - federal, drug fund - state, hyde, donation, dare, and tow lot accounts.

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 sheriff reconciles all bank accounts monthly. The reconciliations for the fee, telecommunications, drug fund - state, and hyde accounts were not accurate. The reconciled balances of the sheriff's accounts are:

Account Name:	Reconciled Account Balance:
Fee Account	\$ 351
Imprest Account	\$ 1,640
Credit Card Account	\$ 123,943
Telecommunications Account	\$ 17,393
Asset Forfeiture Account - Federal	\$ 87,439
Drug Fund Account - State	\$ 247,226
Hyde Account	\$ 504,918
Donation Account	\$ 1,335
Dare Account	\$ 6,296
Tow Lot Account	\$ 3,395

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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 -

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

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.

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 -

Imprest receipts were for official business and the cash vouchers are submitted monthly. However, the January 2021 cash voucher was not reimbursed by the 75% account.

Sheriff's Response: Our office contacted the State Finance Office to determine why the cash voucher was not reimbursed. They stated the request must have gotten "attached to the pay-in voucher" and immediately issued a correction to the 75% account.

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(Continued)

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 -

Payroll charges are properly supported, except for 5 salaried employees who did not fill out timesheets.

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 \$113,652. The statutorily required salary was \$113,652.

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 -

The sheriff's agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not disclosed properly on the fourth quarter financial statement.

Sheriff's Response: The leases identified are 1 year term leases with prices depicted for 3 years. The 3 year total price was used for calculation as had been done on prior years reports. Current year quarterly report will reflect 1 year lease numbers.

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.

The Honorable Jerry Summers, Bullitt County Judge/Executive
The Honorable Walt Sholar, Bullitt County Sheriff
Members of the Bullitt County Fiscal Court
(Continued)

We were engaged by the Bullitt 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 Bullitt 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 Bullitt County Sheriff and the Bullitt 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 Harmon", with a long horizontal flourish extending to the right.

Mike Harmon
Auditor of Public Accounts

June 13, 2022