



Auditor of Public Accounts
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Harmon Releases Audit of Crittenden County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2021 financial statement of Crittenden County Sheriff Wayne Agent. 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 Crittenden 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 noncompliance 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 comments:

The Crittenden County Sheriff's Office failed to submit an annual settlement to the fiscal court for approval: The Crittenden County Sheriff's Office did not submit an annual settlement to the fiscal court by March 15, as required by KRS 134.192. According to the bookkeeper, this was due to some confusion with this being the first year that the sheriff's office operated as a fee pooling office. The office submits a monthly report to the treasurer along with excess fees for the month. The sheriff was not aware that he needed to have a settlement approved by fiscal court as well.

By not submitting the annual settlement to fiscal court, the county sheriff is not in compliance with KRS 134.192. KRS 134.192(11) states, in part, “[i]n counties containing a population of less than seventy thousand (70,000), the sheriff shall provide to the fiscal court by March 15 of each year a complete statement for the preceding calendar year[.]”

We recommend the Crittenden County Sheriff ensure that his annual settlement is prepared and submitted to the fiscal court in accordance with KRS 134.192.

County Sheriff’s Response: This was an oversite on our part because we turn over everything to the Fiscal Court at the beginning of every month and fee pooling was new to us.

The Crittenden County Sheriff’s Office does not have adequate segregation of duties over the drug fund: The Crittenden County Sheriff’s Office does not have adequate segregation of duties over the drug fund (equipment account). The sheriff handles every aspect of the drug fund himself; this includes making deposits, reconciliations, keeping ledgers, and making purchases. According to the sheriff, this condition is caused by the diversity of operations with a limited number of staff.

A lack of segregation of duties or strong oversight increases the risk that undetected errors or fraud could occur. Segregation of duties or the implementation of compensating controls, when limited by the number of staff, is essential for providing protection against the misappropriation of assets and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the sheriff segregate the duties noted above by allowing different deputies to perform these functions. For those duties that cannot be segregated due to a limited number of staff, strong management oversight by the sheriff or designee can be a cost-effective alternative. This oversight should include reviewing deposits, reviewing monthly bank reconciliations and the receipts and disbursements ledgers. Documentation of a designee’s initials or signature should be provided on those items that are reviewed. Dual signatures should also be required on all checks.

County Sheriff’s Response: This was the first time we have ever had this comment or that anyone has said anything about doing anything different in this account.

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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