



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Madison County Sheriff's Fee Account**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2020 financial statement of Madison County Sheriff Mike Coyle. 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 Madison 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 comment:

**The Madison County Sheriff's fourth quarter report contained material inaccuracies:** This is a repeat finding and was included in the prior year audit report as Finding 2019-001. The sheriff's fourth quarter report, which serves as the sheriff's financial statement, was materially misstated reporting \$1,042,953 of prior year receipts, including tax commissions. The fourth quarter report also reflected a discrepancy in disbursements for calendar year 2020 and required an adjustment. The sheriff's disbursements ledger reflected \$13,700 more in expenditures than was recorded on the fourth quarter financial statement.

Internal controls were not in place to ensure that all receipts and disbursements were posted correctly to the ledgers or quarterly reports. Misstatements could result in an increased risk of uncorrected errors, theft, loss, or misappropriated assets.

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 & State Local Finance Officer Policy Manual* requires the sheriff to prepare a quarterly report which includes all receipts and disbursements the sheriff collected and paid during the calendar year. KRS 134.160(3) states, in part, "[a]ll payments received by the sheriff shall be entered immediately by the sheriff on his or her books."

We recommend the sheriff's office implement controls to ensure that ledgers reflect actual amounts received and disbursed. Additionally, ensure correct amounts are shown on all financial statements presented to the public and to DLG and comply with KRS 68.210 and 134.160(3).

*County Sheriff's Response: When preparing quarterly reports, an additional person will help with the checking of numbers.*

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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