



**Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2021 financial statement of Ohio County Sheriff Tracy Beatty. 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 Ohio 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 Ohio County Sheriff's fourth quarter financial report was materially misstated:**  
During the audit the following adjustments were made to the fourth quarter receipts.

- The finance and administration receipts totaling \$116,065 and were booked under circuit clerk fees instead of state fees.
- Auctioned military surplus proceeds in the amount of \$94,429 were deposited into the drug account instead of the fee account.

The fourth quarter financial report was incorrect and did not provide an accurate and complete financial presentation for the Ohio County Sheriff's Office for calendar year 2021. Additionally, the sheriff is not in compliance with KRS 68.210 and 67.0802.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. The *County Budget Preparation and State Local Finance Officer Policy Manual* requires all financial activity for the calendar year be included on the fourth quarter financial report. Additionally, KRS 67.0802 requires that any compensation resulting from the disposal of real or personal property shall be transferred to the general fund of the county. Also, good internal controls dictate the fourth quarter financial report be accurate and complete.

According to the bookkeeper the misclassification of state fees was an oversight that has been corrected on the next calendar year's fourth quarter report. According to the sheriff, the office has always deposited auctioned military surplus proceeds into the drug fund. He was unaware that this money should be paid over to the county general fund.

We recommend the sheriff ensure the fourth quarter financial report is accurate and complete before submitting to the Department for Local Government (DLG). Also, the sheriff should repay the county general fund the \$94,429 for the auctioned military surplus assets.

*County Sheriff's Response: Sheriff Beatty was not aware that Military surplus equipment sold should go into the general fund instead of the drug fund. Sheriff Beatty is now aware of KRS 68.210 that states property sold shall be transferred to the general fund of the county, instead of how it has been done in the past where the funds were put into the drug fund. When this occurred, it caused our fourth quarter financial report to be off in the amount of surplus sold. Sheriff Beatty, at the next fiscal court meeting, will settle with the Fiscal Court on money that is owed to the general fund from the drug fund. Sheriff Beatty has receipts from each purchase taken out of the Drug Fund, which is audited yearly as well.*

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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