



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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2020 financial statement of Perry County Sheriff Joe Engle. 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 Perry 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 sheriff's quarterly financial report was materially misstated:** The sheriff's fourth quarter financial report did not reflect all financial activity for calendar year 2020. Receipts totaling \$55,789 and disbursements totaling \$48,749 were not posted to the ledger.

The sheriff did not ensure that he or his staff prepared correct quarterly reports. The sheriff did not provide accurate financial information to the fiscal court and the Department for Local Government (DLG). A materially misstated fourth quarter financial report 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 uniform system of accounts as described in the DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*, requires the county sheriff to maintain accurate receipts and disbursements ledgers, and prepare a fourth quarterly report which includes all receipts collected and disbursements paid during the calendar year.

We recommend the sheriff implement procedures for ensuring the accuracy of financial information. Ledgers should be posted accurately and the fourth quarter report should agree to ledgers and the bank balance. Receipts and disbursements ledgers should be reconciled to the bank receipts and disbursements on a monthly basis. This would reduce reporting errors.

*County Sheriff's Response: At the Sheriff office we strive to do the best job possible. The error that occurred was due to miscommunication. We are required to submit our 4th quarter report to Department for Local Government and the Fiscal Court within 30 days after the quarter. We did so. But we still had money coming in and going out after the 4th quarter was turned in. We wrote it down in our ledger and the appropriate money was turned over to the Fiscal Court from our ledger. We did not realize that an amended 4th report had to be submitted. In not doing this we had money on our ledger that was not on the 4th quarter report which gave us the discrepancy. The final result of the 2020 audit showed that the appropriate money was turned over to the Fiscal Court and no money is owed.*

*We have addressed this issue with our staff and a 4th quarter amended report will be done going forward. I would like to thank the Office of Auditor of Public Accounts in bringing this to our attention and as we learn and grow we look forward to continue working with the auditor's office to improve our standard each year.*

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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