



Auditor of Public Accounts
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FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Robertson County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the October 1 – December 31, 2021 financial statement of Robertson County Sheriff Terry Gray. 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 Robertson 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 office does not have adequate segregation of duties over receipts: The sheriff's office does not have adequate segregation of duties over receipts. The bookkeeper collects receipts, prepares the daily bank deposit, prepares the daily checkout sheet, and posts items to the receipts ledger. The bookkeeper also prepares the quarterly financial reports and bank reconciliations. According to the sheriff, this is caused by the sheriff's office having a small office staff with only one full-time employee. A lack of segregation of duties over receipts creates an opportunity for misappropriation of assets such as cash. By having the same employee perform these functions, the risk of undetected misappropriation of assets and inaccurate financial reporting to external

agencies such as the Department for Local Government (DLG) increases. Proper segregation of duties over accounting and reporting functions is essential for providing protection from undetected errors occurring. Additionally, properly segregated duties protect employees in the normal course of performing their daily responsibilities. When staff size is limited, it may be necessary to implement compensating controls to achieve an acceptable level of protection for both the office and individual employees.

We recommend the sheriff implement compensating controls to offset this weakness. The sheriff should periodically compare the daily bank deposit to the daily checkout sheet and then compare the daily checkout sheet to the receipts ledger. The sheriff should review the quarterly financial report and compare amounts reported on the receipts ledger. The sheriff should document this review process by initialing the daily checkout sheets, deposit slips, and receipts ledger.

County Sheriff's Response: Robertson County has a population of approximately 2,700 people there is one sheriff and one clerk to handle the county. There are no future plans on funds available to increase the sheriff's office. The sheriff and clerk work closely together in keeping the integrity of this office. That includes all matters within our realm.

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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