



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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the January 1 – September 30, 2021 financial statement of former Robertson County Sheriff Mark Sutton. 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 former Robertson County Sheriff in accordance with accounting principles generally accepted in the United States of America. The former sheriff's financial statement did not follow this format. However, the former 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 former sheriff did not have adequate segregation of duties over receipts and disbursements:** This is a repeat finding and was included in the prior year audit report as Finding 2020-001. The former sheriff did not have adequate segregation of duties over receipts and disbursements. The bookkeeper collected receipts, prepared the daily bank deposit, prepared the daily checkout sheet, and posted items to the receipts ledger. The bookkeeper also prepared the quarterly financial reports and bank reconciliations. Per the fee pooling ordinance all excess fees are supposed to be paid over to the fiscal court on a monthly basis, however, due to a lack of review and oversight, disbursements were made out of the former sheriff's fee account. According to the

former 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 and disbursements 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 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 protects 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's office 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. The sheriff should also ensure all disbursements be made through the fiscal court per the fee pooling ordinance.

*Former County Sheriff's Response: The former sheriff did not provide a response.*

**The former sheriff was not paid in accordance with the maximum salary authorization set for calendar year 2021:** The former sheriff was overpaid during the period January 1, 2021 through September 30, 2021. The maximum salary authorization for the period was \$59,011. During calendar year 2021, he was compensated \$63,248, resulting in a total overpayment of \$4,237. Controls were not in place to ensure that the former sheriff was paid appropriately, in accordance with applicable laws and regulations.

This resulted in the former sheriff being overpaid \$4,237 for the period January 1, 2021 through September 30, 2021. KRS 64.5275(2) states, in part, "the maximum salary of county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs shall be fixed by the Department for Local Government according to a salary schedule in accordance with Section 246 of the Kentucky Constitution." Sheriffs should be paid the exact amount fixed by the Department for Local Government (DLG).

We recommend the former sheriff repay fiscal court for the overpayment of his salary. Further, the sheriff's office should establish and implement controls to ensure that official is paid in accordance with the maximum salary authorization schedule set by DLG.

*Former County Sheriff's Response: The former sheriff did not provide a response.*

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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