



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: Michael Goins
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Harmon Releases Audit of Rockcastle County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2022 financial statement of Rockcastle County Sheriff Shannon Franklin. 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 Rockcastle 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 finding:

The Rockcastle sheriff's office does not have adequate segregation of duties: This is a repeat finding and was included in the prior year audit report as Finding 2021-001. The sheriff's office does not have adequate segregation of duties over receipts, disbursements, and reconciliations. Two employees are responsible for all financial aspects of the sheriff's office. Both employees collect payments, issue receipts, prepares daily checkout sheets, prepares the bank deposit, and prepares and co-signs checks. Then one employee will prepare the receipts and disbursements ledgers, monthly bank reconciliations and the financial reports.

According to the sheriff, the lack of segregation is due to budget constraints which restricts his ability to hire additional employees. Inadequate segregation of duties could result in the misappropriation of assets and inaccurate financial reporting.

Proper segregation of duties is essential to protect the sheriff's office against misappropriation of assets and inaccurate financial reporting, while also protecting employees in the normal course of performing their job responsibilities.

We recommend the sheriff segregate the receipt, disbursement, and reconciliation processes of his office. If this is not feasible because of the limited number of staff and budget restrictions, we recommend the sheriff implement compensating controls to offset this weakness.

Sheriff's Response: The official 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](#).

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.

