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### Harmon Releases Audit of Todd County Sheriff's Fee Account

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2021 financial statement of Todd County Sheriff Tracy White. 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 Todd 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.

Finding 2 of the audit report will be referred to the U.S. Department of Justice's Office of Community Oriented Policing Services (COPS).

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 Todd County Sheriff's Office did not submit the annual financial report in a timely manner:** The Todd County Sheriff's office did not submit the fourth quarter financial report timely to the state local finance officer. As of March 3, 2022, the Department for Local Government (DLG) had not received this report. In addition, the sheriff's office did not submit their annual

settlement to the fiscal court by March 15. The annual settlement was presented and approved by fiscal court on April 15, 2022.

According to the bookkeeper, she tried to submit her fourth quarter to DLG on time, but had multiple issues faxing it in and did not know how else to submit it. She was also not aware of the change to KRS 134.192, and did not realize that the annual settlement was now due by March 15. By not submitting the fourth quarter report timely to state local finance officer, the sheriff did not comply with DLG requirements. In addition, by not submitting the annual settlement timely to fiscal court, the county sheriff did not comply with KRS 134.192.

KRS 68.210 gives the state local finance officer the authority to prescribe a uniform system of accounts. Pursuant to KRS 68.210, the state local finance officer has prescribed minimum accounting and reporting standards in DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. The manual requires the sheriff to "[p]repare a quarterly financial report for the State Local Finance Officer." The manual also provides a format to be used when preparing the quarterly financial report. Additionally, it states that quarterly financial reports are due by the 30<sup>th</sup> day following the close of each quarter.

KRS 134.192(11) states, in part, "[i]n counties containing a population of less than seventy thousand (70,000), the sheriff shall provide to the fiscal court by March 15 of each year a complete statement for the preceding calendar year[.]"

We recommend the Todd County Sheriff ensure that his fourth quarter report and annual settlement are prepared and submitted in accordance with the state local finance officer requirements and KRS 134.192.

*County Sheriff's Response: We had several open invoices that had not been paid due to slow shipping process. Also Clerk was not sure where to send report to.*

*We will not have any outstanding orders that slows the process and we know have the correct location to where the report should be sent.*

**The Todd County Sheriff failed to follow up on the prior year finding regarding the COPS grant reimbursements:** This is a repeat finding and was included in the prior year audit report as finding 2020-001. The Todd County Sheriff failed to follow up on the prior year finding. The sheriff received \$108,467 from a Community Oriented Policing Services (COPS) reimbursement grant throughout the period of 2016 through 2018 for a school resource officer. The sheriff received \$25,637 in 2016, \$45,257 in 2017, and \$37,573 in 2018. Per the grant agreement, the COPS grant pays for 75% of the school resource officer's salary and fringe benefits. The total of the deputy's salary and fringe benefits for the three years totaled \$117,358. 75% of this amount would be \$88,019. This means the sheriff received \$20,448 too much from COPS reimbursement during this three-year period.

The sheriff did not have the proper controls in place to ensure they were in compliance with the grant terms. The sheriff stated they had received guidance from the county treasurer with this reimbursement process due to the fact that she helps with the payroll processes.

The mistakes in these calculations include requesting 100% reimbursement instead of 75% for some periods in 2016 and 2017 and for the full year of 2018, incorrectly adding health insurance in one period in 2017 meaning it was collected twice, and not fully deducting KLEFPF payments from the amounts requested for reimbursement in 2016 and 2017. By not calculating the correct amount of COPS reimbursement, the sheriff is not in compliance with the COPS grant agreement. This could cause the sheriff to have to pay back some of the funds to the grantor.

The grant agreement stated that the 2015 CHP provides up to 75% of the allowable costs of this grant project (up to a maximum federal share of \$125,000 per officer position). Grantees are responsible for providing at least 25% of the total project costs in local matching funds. The local match must be a cash match made from local, state, or other non-COPS office funds. Federal funds (other than COPS office funds) may be used to meet the local match only if the federal funds are authorized by statute for that purpose and approved in writing by both the federal agency providing those funds and the COPS office. Good internal controls also require that the sheriff ensure that the correct amount of grant reimbursement is calculated, and supporting documentation existed.

We recommend the sheriff contact the COPS grant specialist and determine if any actions need to be performed to correct these errors. We also recommend the sheriff ensure that any future payments are calculated correctly. This item will be referred to the U.S. Department of Justice's Office of Community Oriented Policing Services (COPS).

*Sheriff's Response: We have attempted to make contact with the COPS program about this issue. The only response that has been given is that the grant has been closed. We were told that excess of \$5000.00 had not been used in this grant. Upon this year's audit the COPS administration was again contacted by Auditor [name redacted] and via email we were advised there was a personnel change. The contact person that we previously corresponded with was either no longer there or changed positions. I also asked the Todd County Attorney Jeff Traughber for guidance on this issue. He also was copied in emails. As of this time we have again not received any correspondence from the COPS Program about any owed funds.*

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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