



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Adair County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2017 financial statement of Adair County Sheriff Harrison Moss. 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 Adair 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 internal control over financial operations and reporting.

The audit contains the following comment:

**The sheriff's office lacks adequate segregation of duties over disbursements, payroll, and reconciliation functions:** This is a repeat finding and was included in the prior year report as Finding 2016-001. The sheriff's bookkeeper collects payment from customers, assists with deposits, posts to the receipts ledger, prepares checks, assists with payroll, posts to the disbursement ledger, authorizes disbursement checks, and prepares monthly and quarterly reports. The sheriff or another employee only documented oversight over daily bank deposits and checkout sheets. The sheriff or another employee did not document oversight of any of the other activities

noted above. Additionally, the sheriff authorizing checks along with the bookkeeper is not considered sufficient oversight over disbursements.

The sheriff attributes this deficiency as a result of a limited budget, which restricts the number of employees the sheriff can hire or delegate duties to. Having one individual responsible for all areas of the accounting cycle increases the risk of error, undetected misappropriation of assets, and inaccurate financial reporting.

A proper segregation of duties over the accounting and reporting functions or implementing compensating controls, when necessary because of a limited number of staff, is essential for providing protection from errors occurring and not being detected. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the sheriff segregate the duties involved in writing checks, posting to ledgers, preparing monthly bank reconciliations and comparing financial reports to ledgers including payroll. If this is not feasible, cross checking procedures should be implemented and documented by the individual performing the procedure.

*Sheriff's Response: No 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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