



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Agreed-Upon Procedures Engagement of Fulton County  
Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the 2020 agreed-upon procedures engagement of Fulton County Sheriff Derek Goodson. 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.

In 2018 the Kentucky General Assembly, following a recommendation by the State Auditor, passed legislation that allows county sheriffs and clerks that met certain criteria to apply for an Agreed-Upon Procedures (AUP) engagement in lieu of an audit of their fee account. The intent of the change, which became effective in July 2018, was to reduce audit costs for sheriffs and clerks that have a history of clean audits, while still maintaining an appropriate level of accountability.

The Fulton County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2020 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. Auditors performed the procedures, which were agreed to by the Fulton County Sheriff, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020.

The following exceptions were identified during the AUP engagement:

- **The sheriff's fourth quarter financial statement did not agree to the sheriff's receipts and disbursements ledger. Receipts varied by \$5,580 and disbursements varied by \$150,410.**

*County Sheriff's Response: Our program does not separate by accounts only by years. Some of 2021 transactions were accidentally pulled with 2020. We plan on opening a whole new account new year to solve this problem. In the future we will have an odd and even account.*

- **The December 31, 2020 bank reconciliations were not accurate.**

*County Sheriff's Response: The uncleared transactions in [software name redacted] is just an error within the office of saving duplicate receipts. It is just the office staff not being 100% familiar with the way [software name redacted] works. We will in the future check for these duplicate transactions monthly and they will be deleted when needed.*

- **Receipts were not properly accounted for. There were abnormal delays in daily receipts being deposited.**

*County Sheriff's Response: As everyone knows 2020 was a difficult year for anyone, but it was especially difficult for a small office as ourselves. There were several months the office building was closed. The judge executive ordered only one person in the office at a time if we came to the office. The bookkeeper was working from home, taking calls and coming to the office when needed. Deposits were done as quickly as possible. When the office building opened back up so did the courthouse. Due to covid and new rules at the courthouse, where it normally took two people at the courthouse it now took several. Thus, meaning the bookkeeper would work many days at the courthouse checking temperatures, handing out masks and limited the number of people in the court room. The Sheriff's Office during this time was closed many days. The auditor mentioned one deposit not being made for 5 days and the other for 7. We made these bank deposits as soon as someone was available and in the office. 2021 seems to be headed in a better direction and this shouldn't be an issue in the future.*

- **The sheriff's current calendar year tax commissions computed to \$126,548. The tax commissions reported on the sheriff's fourth quarter financial statement were \$119,574. There is a variance of \$6,974 between the computed commissions and the reported commissions.**

*County Sheriff's Response: The tax commission add on fee was combined with the regular tax commission. In the future there will be two different categories for these add on fees so they are not mixed in with the other tax commission.*

- **Excess fees due to the fiscal court were recalculated and a balance of \$97,801 is due to the fiscal court.**

*County Sheriff's Response: On the final quarterly report, the bottom under unpaid obligations the amount of \$97,801 was due to the Fiscal Court. That was 2020 payroll liabilities and \$15,000 starting advancement. We will make sure it is posted on the top of the quarterly report with all other transactions.*

- **The sheriff was paid \$81,939. The statutorily required salary was \$81,937.**

*County Sheriff's Response: No response.*

- **The sheriff's agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not disclosed properly on the fourth quarter financial statement.**

*County Sheriff's Response: The 4<sup>th</sup> page of the quarterly report was not completed. We do currently have an outstanding liability due to the [bank name redacted] for a 2018 [vehicle name redacted]. In the future we will make sure this page is filled out and included in our settlement.*

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 agreed-upon procedures report can be found on the [auditor's website](#).

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