



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Johnson County Sheriff Dwayne Price. 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 Johnson 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 non-compliance 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 comment:

**The sheriff's office lacks segregation of duties.** The bookkeeper collects payments from customers, makes deposits, prepares checks, reconciles the bank account, and posts to the receipts ledgers. Due to the diversity of official operations, small size, and budget restrictions, the sheriff has limited options for establishing an adequate segregation of duties. Misappropriation of receipts could occur and not be corrected or detected. Good internal controls dictate that the same employee should not have access to cash and record receipts. The sheriff should review the monthly bank reconciliation. The sheriff should compare the amounts deposited on the bank statement to the receipts ledger. This should be documented with the

sheriff's initials on the bank reconciliation. We recommend the sheriff strengthen internal controls over receipts and the reconciliation process.

*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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