



Auditor of Public Accounts
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Harmon Releases Audit of Lee County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2017 financial statement of Lee County Sheriff Wendell Childers, Jr. 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 Lee County Sheriff in accordance with accounting principles generally accepted in the United States of America. The clerk's financial statement did not follow this format. However, the clerk'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 clerk 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 comment:

The sheriff overspent the maximum salary limitation fixed by the fiscal court: This is a repeat finding and was reported in the prior year audit report as Finding 2016-002. The sheriff overspent his maximum salary limitation, as fixed by the fiscal court, by \$35,420. The fiscal court fixed the deputies' salary limit at \$33,720; however, the sheriff expended \$69,140. Due to the timing of the prior year audit finding, the sheriff was still unaware that the amount approved by the fiscal court should include all employees, including the bookkeeper and court security employees at the time the limitation was fixed by the fiscal court for calendar year 2017. As a result, the sheriff was in violation of KRS 64.530(3). KRS 64.530(3) states, "[t]he fiscal court shall fix annually the reasonable maximum amount, including fringe benefits, which the officer may expend for deputies

and assistants, and allow the officer to determine the number to be hired and the individual compensation of each deputy and assistant.” We recommend the sheriff monitor his payroll expenditures during the year and obtain any necessary amendments before year end.

Sheriff's Response: When the Maximum Salary Limitation form is prepared for the Fiscal Court in December 2018, all employees salaries will be added except the sheriff's salary.

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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