



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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2017 financial statement of former Montgomery County Sheriff Fred Shortridge. 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 former Montgomery County Sheriff in accordance with accounting principles generally accepted in the United States of America. The former 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 the internal control over financial operations and reporting.

The audit contains the following comment:

The former Montgomery County Sheriff expended \$75 for disallowed disbursements: This is a repeat finding and was reported in the prior year audit report as Finding 2016-001. The former sheriff expended \$75 from the fee account for unallowable disbursements. The former sheriff paid \$68 in late fees and \$7 in interest charges on credit cards.

The former sheriff failed to pay off credit card balance timely and finance charges and late fees were accrued. Expending funds on unallowable items results in fewer funds to spend on necessary items.

In Funk vs. Milliken, 317 S.W.2d 499 (Ky. 1958), Kentucky's highest court reaffirmed the rule that county fee officials' expenditures of public funds will be allowable on if they are necessary, adequately documented, reasonable in amount, beneficial to the public, and not primarily personal in nature.

We recommend the former sheriff reimburse the 2017 fee account \$75 from his personal funds for these disallowed disbursements. Furthermore, we recommend the sheriff's office only expend funds for allowable purposes.

Former Sheriff's Response: This was an oversight in paying a bill and had to pay interest that is not allowed.

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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