

**REPORT OF THE AUDIT OF THE
TODD COUNTY
SHERIFF**

**For The Year Ended
December 31, 2020**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT 1

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS 3

NOTES TO FINANCIAL STATEMENT 6

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 13

SCHEDULE OF FINDINGS AND RESPONSES 17

THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Todd Mansfield, Todd County Judge/Executive
The Honorable Tracy White, Todd County Sheriff
Members of the Todd County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Sheriff of Todd County, Kentucky, for the year ended December 31, 2020, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



The Honorable Todd Mansfield, Todd County Judge/Executive
The Honorable Tracy White, Todd County Sheriff
Members of the Todd County Fiscal Court

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Todd County Sheriff on the basis of the accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky’s regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Todd County Sheriff, as of December 31, 2020, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the Todd County Sheriff for the year ended December 31, 2020, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2021, on our consideration of the Todd County Sheriff’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Todd County Sheriff’s internal control over financial reporting and compliance.

Based on the results of our audit, we have presented the accompanying Schedule of Findings and Responses, included herein, which discusses the following report comments:

- 2020-001 The Todd County Sheriff Failed To Follow Up On The Prior Year Finding Regarding The COPS Grant Reimbursements
- 2020-002 The Todd County Sheriff’s Office Did Not Have Adequate Controls Over Disbursements

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

September 10, 2021

TODD COUNTY
TRACY WHITE, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2020

Receipts

State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)	\$	19,303
State Fees For Services:		
Finance and Administration Cabinet	\$	95,184
Sheriff Security Service		<u>3,081</u>
		98,265
Circuit Court Clerk:		
Fines and Fees Collected		6,278
Court Ordered Payments		<u>38</u>
		6,316
Fiscal Court		426,369
County Clerk - Delinquent Taxes		23,800
Commission On Taxes Collected		179,894
Fees Collected For Services:		
Auto Inspections		6,900
Accident/Police Reports		415
Serving Papers		19,677
Carry Concealed Deadly Weapon Permits		5,860
Transport Inmates		<u>300</u>
		33,152
Other:		
Add-On Fees		14,545
Miscellaneous		1,018
School Resource Officer		39,979
Telecommunications		<u>755</u>
		56,297
Interest Earned		438
Borrowed Money:		
State Advancement		<u>40,000</u>
Total Receipts		883,834

The accompanying notes are an integral part of this financial statement.

TODD COUNTY
 TRACY WHITE, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
 For The Year Ended December 31, 2020
 (Continued)

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-		
Deputies' Gross Salaries	\$	48,105
Secretary Salary		40,267
Holiday Pay		6,576
Overtime Gross Salaries		8,481
Employee Benefits-		
Employer's Share Social Security		16,991
Employer's Share Retirement		45,327
School Resource Officer		33,286
Bailiffs		87,840
KLEFPF		19,245
Employer Paid Health Insurance		22,671
Contracted Services-		
Contracted Services		13,200
Materials and Supplies-		
Office Materials and Supplies		11,159
Uniforms		8,021
Auto Expense-		
Gasoline		14,977
Maintenance and Repairs		15,034
Other Charges-		
Dues		400
Postage		306
Miscellaneous		1,082
Training		1,417
K-9 Unit/Maintenance		1,273
Wi-Fi for MDT		4,903
Capital Outlay-		
Office Equipment		16,184
Vehicles		56,102
		<u>56,102</u>
	\$	472,847
Debt Service:		
State Advancement		<u>40,000</u>
Total Disbursements		<u>\$ 512,847</u>

The accompanying notes are an integral part of this financial statement.

TODD COUNTY
TRACY WHITE, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
For The Year Ended December 31, 2020
(Continued)

Net Receipts	\$ 370,987
Less: Statutory Maximum	<u>90,562</u>
Excess Fees Due County for 2020	280,425
Payment to Fiscal Court - March 8, 2021	<u>280,425</u>
Balance Due Fiscal Court at Completion of Audit	<u><u>\$ 0</u></u>

The accompanying notes are an integral part of this financial statement.

TODD COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2020

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount, including excess fees, due from the sheriff as determined by the audit. KRS 134.192 requires the sheriff to settle excess fees with the fiscal court at the time he files his annual settlement with the fiscal court on or before September 1 of each year. KRS 64.830 requires an outgoing sheriff to settle excess fees with the fiscal court of his county by March 15 immediately following the expiration of his term of office.

The financial statement has been prepared on a regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis demonstrates compliance with the laws of Kentucky and is a special purpose framework. Under this regulatory basis of accounting, receipts and disbursements are generally recognized when cash is received or disbursed, with the exception of accrual of the following items (not all-inclusive) at December 31 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2020 services
- Reimbursements for 2020 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2020

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the county treasurer in the subsequent year.

C. Cash and Investments

KRS 66.480 authorizes the sheriff's office to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System and Other Post-Employment Benefits

The sheriff's office has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute.

TODD COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2020
 (Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

The sheriff's contribution for calendar year 2018 was \$46,261, calendar year 2019 was \$43,917, and calendar year 2020 was \$45,327.

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute six percent of their salary to be allocated as follows: five percent will go to the member's account and one percent will go to the KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute five percent of their annual creditable compensation. Nonhazardous members also contribute one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the KRS Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a four percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

The county's contribution rate for nonhazardous employees was 24.06 percent for the year.

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% Paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

TODD COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2020
 (Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

A. Health Insurance Coverage - Tier 1 (Continued)

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 161.714 with exception of COLA and retiree health benefits after July 2003.

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous

Once members reach a minimum vesting period of 15 years, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5 percent. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

The monthly insurance benefit has been increased annually as a 1.5 percent cost of living adjustment (COLA) since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

Tier 2 member benefits are covered by KRS 161.714 with exception of COLA and retiree health benefits after July 2003. Tier 3 members are not covered by the same provisions.

C. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of KRS benefits. During the 2008 Special Session, the General Assembly determined that each July beginning in 2009, retirees who have been receiving a retirement allowance for at least 12 months will receive an automatic COLA of 1.5 percent. The COLA is not a guaranteed benefit. If a retiree has been receiving a benefit for less than 12 months, and a COLA is provided, it will be prorated based on the number of months the recipient has been receiving a benefit.

D. Cost of Living Adjustments - Tier 2 and Tier 3

No COLA is given unless authorized by the legislature with specific criteria. To this point, no COLA has been authorized by the legislature for Tier 2 or Tier 3 members.

E. Death Benefit

If a retired member is receiving a monthly benefit based on at least 48 months of service credit, KRS will pay a \$5,000 death benefit payment to the beneficiary designated by the member specifically for this benefit. Members with multiple accounts are entitled to only one death benefit.

TODD COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2020
 (Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

KRS Annual Financial Report and Proportionate Share Audit Report

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KRS also issues proportionate share audit reports for both total pension liability and other post-employment benefits for CERS determined by actuarial valuation as well as each participating county's proportionate share. Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer Allocations and OPEB Amounts by Employer reports and the related actuarial tables are available online at <https://kyret.ky.gov>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

Note 3. Deposits

The Todd County Sheriff maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the sheriff's deposits may not be returned. The Todd County Sheriff does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of December 31, 2020, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Short-term Debt

A. Direct Borrowing

1. On March 30, 2020, the Finance and Administration Cabinet issued an advancement of funds in the amount of \$20,000 to the Todd County Sheriff's office, per KRS 64.140. An additional \$20,000 was advanced to the sheriff on May 5, 2020. The sum of these two advancements were due on or before January 15, 2021. The balance of these advancements was repaid in full as of December 31, 2020.

TODD COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2020
 (Continued)

Note 4. Short-term Debt (Continued)

B. Changes in Short-term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Direct Borrowings	\$	\$ 40,000	\$ 40,000	\$
Total Short-term Debt	<u>\$ 0</u>	<u>40,000</u>	<u>40,000</u>	<u>\$ 0</u>

Note 5. Drug Fund

The Todd County Sheriff's office maintains a drug account for related receipts and disbursements. The beginning balance of this fund on January 1, 2020 was \$486. During 2020, the sheriff received \$1 in interest, and no disbursements were noted. The fund balance as of December 31, 2020 was \$487.

Note 6. Asset Forfeiture Fund

The Todd County Sheriff's office maintains an asset forfeiture account for related receipts and disbursements. The beginning balance of this fund on January 1, 2020 was \$1,570. During 2020, receipts totaled \$766 and no disbursements were noted. The fund balance as of December 31, 2020 was \$2,336.

Note 7. Related Party Transaction

During calendar year 2020, the sheriff paid \$1,256 to a business that is owned by a deputy's wife for monogramming shirts for the sheriff's deputies.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Todd Mansfield, Todd County Judge/Executive
The Honorable Tracy White, Todd County Sheriff
Members of the Todd County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Todd County Sheriff for the year ended December 31, 2020, and the related notes to the financial statement and have issued our report thereon dated September 10, 2021. The Todd County Sheriff's financial statement is prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Todd County Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Todd County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Todd County Sheriff's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, which are described in the accompanying Schedule of Findings and Responses as items 2020-001 and 2020-002 that we consider to be significant deficiencies.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Todd County Sheriff's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Views of Responsible Official and Planned Corrective Action

The Todd County Sheriff's views and planned corrective action for the findings identified in our audit are included in the accompanying Schedule of Findings and Responses. The Todd County Sheriff's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

September 10, 2021

SCHEDULE OF FINDINGS AND RESPONSES

THIS PAGE LEFT BLANK INTENTIONALLY

TODD COUNTY
TRACY WHITE, SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended December 31, 2020

INTERNAL CONTROL - SIGNIFICANT DEFICIENCIES:

2020-001 The Todd County Sheriff Failed To Follow Up On The Prior Year Finding Regarding The COPS Grant Reimbursements

This is a repeat finding and was included in the prior year audit report as finding 2019-001. The Todd County Sheriff failed to follow up on the prior year finding. The sheriff received \$108,467 from a COPS reimbursement grant throughout the period of 2016 through 2018 for a school resource officer. The sheriff received \$25,637 in 2016, \$45,257 in 2017, and \$37,573 in 2018. Per the grant agreement, the COPS grant pays for 75% of the school resource officer's salary and fringe benefits. The total of the deputy's salary and fringe benefits for the three years totaled \$117,358. 75% of this amount would be \$88,019. This means the sheriff received \$20,448 too much from COPS reimbursement during this three year period.

The sheriff did not have the proper controls in place to ensure they were in compliance with the grant terms. The sheriff stated they had received guidance from the county treasurer with this reimbursement process due to the fact that she helps with the payroll processes. The mistakes in these calculations include requesting 100% reimbursement instead of 75% for some periods in 2016 and 2017 and for the full year of 2018, incorrectly adding health insurance in one period in 2017 meaning it was collected twice, and not fully deducting KLEFPF payments from the amounts requested for reimbursement in 2016 and 2017.

By not calculating the correct amount of COPS reimbursement, the sheriff is not in compliance with the COPS grant agreement. This could cause the sheriff to have to pay back some of the funds to the grantor.

The grant agreement stated that the 2015 CHP provides up to 75% of the allowable costs of this grant project (up to a maximum federal share of \$125,000 per officer position). Grantees are responsible for providing at least 25% of the total project costs in local matching funds. The local match must be a cash match made from local, state, or other non-COPS office funds. Federal funds (other than COPS office funds) may be used to meet your local match only if the federal funds are authorized by statute for that purpose and approved in writing by both the federal agency providing those funds and the COPS office. Good internal controls also require that the sheriff ensure that the correct amount of grant reimbursement is calculated, and supporting documentation existed.

We recommend that the sheriff contact the COPS grant specialist and determine if any actions need to be performed to correct these errors. We also recommend that the sheriff ensure that any future payments are calculated correctly. This item will be referred to the U.S. Department of Justice's Office of Community Oriented Policing Services.

Sheriff's Response: As auditor [name redacted] has already been advised several times, we have attempted to make contact with the COPS program about this issue. The only response that has been given is that the grant has been closed. We were told the excess of \$5000.00 had not been used in this grant. Upon this year's audit the COPS administration was again contacted by auditor [name redacted] and via email we were advised there was a personnel change. The contact person that we previously corresponded with was either no longer there or changed positions. I also asked the Todd County Attorney [name redacted] for guidance on this issue. He also was copied in emails. As of this time we have again not received any correspondence from the COPS Program about any owed funds.

TODD COUNTY
TRACY WHITE, SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2020
(Continued)

INTERNAL CONTROL - SIGNIFICANT DEFICIENCIES: (Continued)

2020-002 The Todd County Sheriff's Office Did Not Have Adequate Controls Over Disbursements

The Todd County Sheriff's office did not have adequate controls over disbursements. An employee was paid \$4,484 in reimbursements for various equipment purchases. The employee provided several self-made statements which described the items purchased and included the purchase prices of the items. However, no supporting receipts or invoices were attached to document where the items were purchased or to prove that the employee did in fact pay for the equipment. Furthermore, the documentation did not provide evidence that the purchases were authorized by the sheriff.

According to the bookkeeper, the sheriff's office was not aware that the documentation provided was not adequate. By not ensuring adequate internal controls are in place, the sheriff cannot guarantee that taxpayer monies are being used in the most efficient and effective ways possible. Furthermore, because the sheriff does not require proper supporting documentation for reimbursements, such as original receipts or invoices, there is an increased risk that reimbursements are being made for unauthorized purchases.

Strong internal controls dictate that supporting documentation such as original receipts or invoices be maintained for all expenditures, including reimbursements. Additionally, strong internal controls dictate that invoices and other supporting documentation be inspected and approved by the sheriff or designee to ensure that disbursements are valid, properly authorized, and correct in amount.

We recommend the Todd County Sheriff require sufficient supporting documentation for all expenditures, including reimbursements to employees for purchases made. We further recommend the sheriff inspect all invoices and document his approval of the disbursements to ensure that all disbursements are properly authorized, valid obligations of the office.

Sheriff's Response: Since the TCSO does not have a credit card or accounts with [vendor name redacted], Deputy [name redacted] sometimes orders equipment on his personal account and the TCSO reimburses him for the equipment. This equipment is used for the entire department. Deputy [name redacted] provides a personal invoice to be reimbursed. It is now my understanding that he needs to provide the original invoice from which ever entity he orders from. All personnel has been instructed to do so with this process.