

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
WARREN COUNTY SHERIFF**

**For The Period
January 1, 2020 Through December 31, 2020**



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MIKE HARMON
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SUMMARY OF PROCEDURES AND FINDINGS

AGREED-UPON PROCEDURES OF THE
WARREN COUNTY SHERIFF

For The Period January 1, 2020 Through December 31, 2020

The Warren County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (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. The summary below presents those findings for which an exception was identified during the AUP engagement.

During the AUP engagement of the Warren County Sheriff, the following exception was noted:

- The sheriff's fourth quarter financial statement did not agree to the sheriff's receipts and disbursements ledgers. Receipts varied by \$81 and disbursements varied by \$43,692.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above, but can be found in the full report. A copy of this report is available on the Auditor of Public Accounts' website at www.auditor.ky.gov.

Respectfully submitted,

Auditor of Public Accounts
August 18, 2021



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Mike Buchanon, Warren County Judge/Executive
The Honorable Brett Hightower, Warren County Sheriff
Members of the Warren County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Warren County Sheriff, related to the sheriff's compliance with the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* regarding the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020. The Warren County Sheriff is responsible for compliance with these requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the sheriff has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the sheriff's fourth quarter financial statement agrees to the sheriff's receipts ledger and disbursements ledger. Variances in total receipts or total disbursements that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

The sheriff's fourth quarter financial statement did not agree to the sheriff's receipts and disbursements ledgers. Receipts varied by \$81 and disbursements varied by \$43,692.

Sheriff's Response: The \$81 variance is due to 2 deposits that the credit card company made in error. They were deposited and refunded but were never listed as receipts or disbursements since they were bank errors and were listed in the bank record. The \$43,692 variance in disbursements is due to an error in the presentation of the information. A previous auditor had approved the financial statement, and the Sheriff's Office was not aware that they were presenting the information incorrectly. The Sheriff and the Bookkeeper have been instructed by the Auditor's Office on how the information is to be presented on the Quarterly Report and in the future will follow those instructions. All funds were received and distributed correctly, just the method of presentation was not correct.



The Honorable Mike Buchanon, Warren County Judge/Executive
 The Honorable Brett Hightower, Warren County Sheriff
 Members of the Warren County Fiscal Court
 (Continued)

3. Procedure -

Compare the sheriff's operating disbursements (Total disbursements per EMARS 2550 Reconciliation) to the general term order estimated expenditures which the fiscal court or other approving authority approved, either in total or by operating category, to determine if the sheriff overspent the general term order.

Finding -

No exceptions were found as a result of applying the procedure.

4. Procedure -

Determine if the sheriff has reconciled the 75% account to the EMARS 2550 report.

Finding -

No exceptions were found as a result of applying the procedure. The ending reconciled balance as of December 31, 2020 is \$2,062,995.

5. Procedure -

Obtain a list of accounts prepared by the sheriff that are applicable to the current calendar year.

Finding -

No exceptions were found as a result of applying the procedure. The sheriff maintains fee, seizure, seized funds, donation, and imprest accounts.

6. Procedure -

Determine if the sheriff reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2020, to determine the reconciled ending balances and if bank reconciliations are accurate. Determine if any additional funds are due to the state repository for 75% or 25% accounts.

Finding -

No exceptions were found as a result of applying the procedure. The balances of the sheriff's accounts are:

Account Name:	Reconciled Account Balance:
Fee Account	\$ 0
Seizure Account	\$ 0
Seized Funds Account	\$ 70,655
Donation Account	\$ 1,990
Imprest Account	\$ 3,000

The Honorable Mike Buchanon, Warren County Judge/Executive
The Honorable Brett Hightower, Warren County Sheriff
Members of the Warren County Fiscal Court
(Continued)

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

No exceptions were found as a result of applying the procedure.

8. Procedure -

Determine if the sheriff completed an annual asset forfeiture report. Determine if assets forfeited to the sheriff, are properly accounted for by tracing the asset to a bank deposit, receipts ledger, or asset ledger and determine if amounts due to the commonwealth attorney were remitted.

Finding -

No exceptions were found as a result of applying the procedure.

9. Procedure -

Determine if tax commissions are properly accounted for by computing the sheriff's current calendar year tax commission from prior year taxes and current year taxes using the prior year sheriff tax settlement and current year recap of tax reports. Variances that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

10. Procedure -

Judgmentally select 15 operating disbursements from the sheriff's records and agree amounts paid to invoices or other supporting documentation and cancelled check. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business.

Finding -

No exceptions were found as a result of applying the procedure.

11. Procedure -

Judgmentally select one month's imprest cash voucher and review the attached receipts to determine if disbursements are for official business. Verify imprest cash vouchers are submitted monthly and agree to amounts reimbursed by the 75% account.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Mike Buchanon, Warren County Judge/Executive
The Honorable Brett Hightower, Warren County Sheriff
Members of the Warren County Fiscal Court
(Continued)

12. Procedure -

Verify the sheriff's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees.

Finding -

No exceptions were found as a result of applying the procedure.

14. Procedure -

Determine that the sheriff was paid the statutory salary as fixed by the Department for Local Government salary schedule.

Finding -

The sheriff was paid \$112,125. The statutorily required salary was \$112,125.

15. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

No exceptions were found as a result of applying the procedure.

16. Procedure -

Verify the sheriff is properly bonded for the period covered by the agreed upon procedures.

Finding -

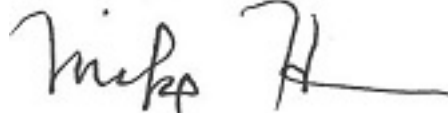
No exceptions were found as a result of applying the procedure.

The Honorable Mike Buchanon, Warren County Judge/Executive
The Honorable Brett Hightower, Warren County Sheriff
Members of the Warren County Fiscal Court
(Continued)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to present the procedures performed and the results of those procedures and is not suitable for any other purpose. This report is intended solely for the information and use of the Warren County Sheriff and the Warren County Fiscal Court, and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike H", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

August 18, 2021