



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Former Bell County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2014 financial statement of former Bell County Sheriff Bruce Bennett. 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 revenues, expenditures and excess fees of the former Bell 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 former sheriff's office had a lack of adequate segregation of duties.** The former sheriff's office had a lack of adequate segregation of duties because employees may collect and issue receipts, prepare the daily checkout sheet, and prepare the daily deposit. The bookkeeper could also prepare the checkout sheet, post to the receipt ledger, prepare and sign disbursements, and prepare the monthly bank reconciliations.

The lack of adequate segregation of duties within the former sheriff's office was the result of a limited number of staff which prevented the former sheriff from segregating accounting duties to

different individuals within the sheriff's office. The segregation of duties over various accounting functions such as preparing deposits, recording receipts and disbursements, and preparing bank reconciliations, or the implementation of compensating controls is essential for providing protection from asset misappropriation and/or inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities. A lack of segregation of duties without adequate compensating controls in place could result in the undetected misappropriation of assets and/or inaccurate financial reporting to external agencies such as the Department for Local Government.

The former sheriff could have separated duties of collecting payments and issuing receipts, preparing daily checkout sheets, preparing daily deposits, and preparing reconciliations. If these duties could not have been segregated due to a limited staff or budget, then strong oversight could have been provided over the employee responsible for these duties. The former Sheriff or employee providing the oversight could have documented this oversight.

*Former 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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