



Auditor of Public Accounts  
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### **Edelen Releases Audit of Lawrence County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Adam Edelen today released the audit of the 2014 financial statement of Lawrence County Sheriff Garrett Roberts. 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.

Recent changes in auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the revenues, expenditures and excess fees of the Lawrence County Sheriff in accordance with generally accepted accounting principles in the United States. The report found that the financial statement of the Sheriff 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 comments:

**The Sheriff did not report salaries accurately on Quarterly Reports.** We found many errors for salaries of the Sheriff and his deputies on the 4<sup>th</sup> Quarter Report sent to the Department for Local Government (DLG). KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. This uniform system of accounts, as outlined in the County Budget Preparation and State Local Finance Officer Policy Manual, requires the Sheriff to prepare a an accurate quarterly report. The Sheriff did not have procedures in place to ensure all payroll items were properly accounted for. Salaries were posted to the wrong line item in error. This resulted in the following inaccuracies on the 4<sup>th</sup> quarter report:

- Sheriff's salary was overstated by \$61,928.
- Deputies' salaries required many reclassifications between line items on the quarterly report and we had to adjust total deputies' salaries by \$6,500 in order to agree to earnings records.
- Wages posted for lake patrol did not agree to earnings records and were understated by \$3,890.

We recommend the Sheriff review quarterly reports sent to DLG and ensure that they are accurate in the future.

*Sheriff's response: No response.*

**The Sheriff's office lacks adequate segregation of duties.** The Sheriff's office lacks adequate segregation of duties. Inadequate segregation of duties allows for one person to have a significant role in processing and recording receipts and disbursements, which would increase the risk that the misappropriation of assets and/or inaccurate financial reporting will occur and be undetected. The Sheriff's bookkeeper collects payments from customers, records transactions in the ledgers, prepares deposits, and reconciles the bank account. Internal control duties should be segregated to decrease the risk of misappropriation of assets, errors, and inaccurate financial reporting to external agencies. Compensating controls such as comparing the daily checkout sheet to the receipts ledger and the bank deposit can be implemented to decrease the risk present in the absence of proper segregation of duties, but they don't eliminate the lack of adequate segregation of duties. We recommend the same person not perform multiple accounting functions, and if the duties cannot be segregated, then strong oversight over the employee's work should be provided and documented.

*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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