



Auditor of Public Accounts
Adam H. Edelen

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Contact: Stephenie Hoelscher
stephenie.hoelscher@ky.gov
502.564.5841
502.209.2867

Edelen Releases Audit of Perry County Sheriff's Office

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the 2014 financial statement of Perry County Sheriff Les Burgett. 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 Perry 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 comment:

The Sheriff's office lacks adequate segregation of duties over cash receipts. The Sheriff's office lacks adequate segregation of duties over cash receipts. The Sheriff's bookkeeper is responsible for opening mail, collecting payments, posting to the receipts ledger, and helping prepare bank deposits.

A limited budget places restrictions on the number of employees the Sheriff can hire. When faced with a limited number of staff, strong compensating controls should be in place to offset the lack of adequate segregation of duties. 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 responsibilities.

To adequately protect against the misappropriation of assets and/or inaccurate financial reporting, the Sheriff should separate the duties of opening mail, collecting cash receipts, posting to the receipts ledger, and preparing bank deposits. If due to a limited number of staff this is not feasible, the Sheriff should implement the following compensating controls in order to offset this deficiency:

- The Sheriff should recount cash and agree to the deposit ticket. The Sheriff should document this by initialing the deposit ticket.
- The Sheriff should perform surprise cash counts.
- The Sheriff should require deputies to count each other cash drawers.

Sheriff's response: The Sheriff's Office will do everything possible to maintain good internal controls, taking into consideration the limited amount of staffing.

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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