



Auditor of Public Accounts
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Harmon Releases Audit of Breckinridge County Sheriff's Office

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2015 financial statement of Breckinridge County Sheriff Todd Pate. 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 receipts, disbursements, and excess fees of the Breckinridge 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 sheriff's office lacks adequate segregation of duties over disbursements and reconciliations. The Breckinridge County Sheriff's bookkeeper performs numerous duties dealing with disbursements and reconciliations. The bookkeeper is responsible for preparing and signing checks, posting to the disbursements ledgers, and preparing monthly bank reconciliations. This condition is the result of a limited budget, which restricts the number of employees the sheriff can hire or delegate duties to.

A lack of segregation of incompatible duties or strong oversight could result in the undetected misappropriation of assets and inaccurate financial reporting to external agencies such as the Department for Local Government. A proper segregation of duties over the disbursements and reconciliations functions or implementation of compensating controls, when necessary because of a limited number of staff, is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, a proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

The sheriff should properly segregate the duties over disbursements and reconciliation functions in order to help prevent misappropriation of assets and inaccurate financial reporting, and to adequately protect employees in the normal course of performing their daily responsibilities. If these duties cannot be separated, strong documented oversight over these areas should be provided.

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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