



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Agreed-Upon Procedures Engagement of Former Warren County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the 2018 agreed-upon procedures engagement of former Warren County Sheriff Jerry “Peanuts” Gaines. 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.

In 2018 the Kentucky General Assembly, following a recommendation by the State Auditor, passed legislation that allows county sheriffs and clerks that met certain criteria to apply for an Agreed-Upon Procedures (AUP) engagement in lieu of an audit of their fee account. The intent of the change, which became effective in July 2018, was to reduce audit costs for sheriffs and clerks that have a history of clean audits, while still maintaining an appropriate level of accountability.

The former Warren County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2018 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. Auditors performed the procedures, which were agreed to by the former Warren County Sheriff, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2018 through December 31, 2018.

The following exception was identified during the AUP engagement:

- **Receipts are properly accounted for; however, there was one day when the deposit was not made daily.**

*Former Sheriff's Response: The delay in the deposit was due to a confusion with a bank that was closed that day. We have addressed the issue and trained on when deposits have to go to the bank.*

- **Disbursements agreed to paid invoices or other supporting documentation and eMARS report/cancelled checks. Disbursements were for official business with the exception of two disbursements; one pair of Brooks tennis shoes in the amount of \$88 and coffee supplies for \$14, totaling \$102. The former sheriff should personally reimburse his fee account for these unallowable expenses. Credit card disbursements were for official business, with the exception of sales tax of \$41 paid on a hotel room.**

*Former Sheriff's Response: Sheriff Gaines will reimburse the Sheriff's Department, and the Sheriff's Dept is reevaluating purchases.*

- **Payroll charges were properly supported, with the exception of the two undercover drug officers, whose timesheets were not approved by a supervisor.**

*Former Sheriff's Response: The Sheriff's Department has added the signature of the undercover drug officer's signature to the payroll audit process.*

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 agreed-upon procedures report can be found on the [auditor's website](#).

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