



**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

July 29, 2022

Sen. Chris McDaniel, Co-Chairman  
Rep. Jason Petrie, Co-Chairman  
Interim Joint Committee on Appropriations & Revenue

Dear Co-Chairs and Members:

This report is provided in accordance with House Bill 1 of the 2022 Regular Session, which established and funded the Outlier Audit Assistance “OAA” Program. For every audit qualifying for a disbursement under the OAA Program, HB 1 further directs the Auditor of Public Accounts to provide this Committee with a report detailing the reason for the outlier expense.

This OAA Program is designed to assist counties when a county clerk or sheriff’s audit, conducted pursuant to KRS 43.070(1)(a)2., costs more than 150% of the average cost for an audit of that type. The impetus for the program was a recognition that fiscal courts are ultimately responsible for paying the cost of these audits, although they have limited ability to control the operations of the county clerk or sheriff’s office, and these fiscal courts were faced with larger costs than they would have reasonably expected when budgeting. As this report will reflect, these higher-than-average costs can occur for a variety of reasons.

House Bill 1 provided a total of \$750,000 in funding for the OAA Program, with \$500,000 allocated in fiscal year 2022-2023 and \$250,000 allocated in 2023-2024. This report will cover the audits qualifying for disbursement under the program as of the July 1, 2022 effective date of the budget language.

Please do not hesitate to contact my office should you have questions or require additional information regarding the OAA Program.

Thanks and God Bless,

Mike Harmon  
Auditor of Public Accounts

## **A. Introduction**

The Outlier Audit Assistance (OAA) Program was established and funded pursuant to the following language of House Bill 1 of the 2022 Regular Session:

Outlier Audit Assistance Program: Included in the above General Fund appropriation is \$500,000 in fiscal year 2022-2023 and \$250,000 in fiscal year 2023-2024 to support the establishment of the Outlier Audit Assistance Program. Beginning with fiscal year 2018-2019, the Auditor of Public Accounts shall calculate the annual average cost of audits conducted pursuant to KRS 43.070(1)(a)2. by audit type. Beginning with audits billed during fiscal year 2019-2020 or thereafter, any such audit with a cost exceeding the threshold of 150 percent of the average cost for its type in the preceding fiscal year shall be deemed an outlier audit. If a county has paid the cost of the outlier audit up to the amount of the threshold set out in this subsection, the county shall be eligible for a credit from the Outlier Audit Assistance Program for audit costs that exceed the threshold. For every audit qualifying for disbursement, the auditor shall provide a detailed report for the reason for the outlier expense to the Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year. Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.

As noted in Auditor Harmon's preceding letter, the program is designed to assist county governments when they are faced with higher-than-average audit costs related to the mandatory annual audits of their county clerk or sheriff.

## **B. Eligible Audit Types**

The OAA Program applies to audits conducted pursuant to KRS 43.070(1)(a)2., which includes the following audit types and their corresponding abbreviations used in this report:

- County Clerks' Fee Audit (FEC)
- Sheriffs' Fee Audit (FES)
- Sheriffs' Tax Settlement Audit (STS)
  - Unmined Coal Tax Settlement (STS-UMC)
  - Gas & Oil Tax Settlement (STS-G&O)

An "I" or "O" preceding the abbreviation indicates the audit involved an "incoming" or "outgoing" official, respectively. FEC and FES audits are performed annually on a calendar year basis. STS audits are also performed annually, and the audit covers a set period of time in which ad valorem taxes were collected.

**C. Calculation of Averages**

As directed in the establishing language for the program, the Auditor of Public Accounts has calculated the following as the annual average costs by audit type beginning with fiscal year 2018-2019. The chart below reflects both the average amount by audit type and the 150% threshold amount that must be paid by the county to trigger eligibility for OAA Program funds:

	<u>Average Cost</u>	<u>150% Of The Average Cost</u>
<b>FY19 Billed Clerk Fee Audits</b>	\$ 10,887.36	\$ 16,331.04
<b>FY20 Billed Clerk Fee Audits</b>	\$ 11,421.17	\$ 17,131.75
<b>FY21 Billed Clerk Fee Audits</b>	\$ 10,829.59	\$ 16,244.38
<b>FY19 Billed Sheriff Fee Audits</b>	\$ 11,961.02	\$ 17,941.53
<b>FY20 Billed Sheriff Fee Audits</b>	\$ 13,501.86	\$ 20,252.80
<b>FY21 Billed Sheriff Fee Audits</b>	\$ 10,816.52	\$ 16,224.77
<b>FY19 Billed STS Audits</b>	\$ 11,593.02	\$ 17,389.53
<b>FY20 Billed STS Audits</b>	\$ 11,532.14	\$ 17,298.21
<b>FY21 Billed STS Audits</b>	\$ 10,153.39	\$ 15,230.09

**D. Audits Eligible for OAA Program Credits as of July 1, 2022**

The following charts reflect the audits released and billed during FY 2020 and FY 2021 that meet the criteria established to be eligible for a credit under the OAA Program. To the extent the total below exceeds the \$500,000 appropriated for the program in FY 2022-2023, the applicable credits may be later awarded from the \$250,000 appropriated for the program in FY 2023-2024, so long as the threshold payments are met to qualify for receipt of OAA Program credits.

County	Audit Type	Audit Year	Audit Release Date	Amount Billed	150% Of The Average Bill	Eligible Credit Per Audit
Barren	OFEC	2018	10/30/2019	\$ 16,551.04	\$ 16,331.04	\$ 220.00
Boone	STS	2017	3/5/2020	\$ 31,483.56	\$ 17,389.53	\$ 14,094.03
Boone	STS	2018	4/22/2021	\$ 28,569.32	\$ 17,298.21	\$ 11,271.11
Boone	FES	2018	4/13/2020	\$ 25,315.03	\$ 17,941.53	\$ 7,373.50
Boyd	FEC	2017	6/3/2019	\$ 20,223.70	\$ 16,331.04	\$ 3,892.66
Boyd	STS	2017	8/2/2019	\$ 17,791.60	\$ 17,389.53	\$ 402.07
Campbell	STS	2017	1/10/2020	\$ 20,390.46	\$ 17,389.53	\$ 3,000.93
Carlisle	FEC	2017	6/3/2019	\$ 17,594.19	\$ 16,331.04	\$ 1,263.15
Crittenden	FES	2017	10/3/2019	\$ 23,243.50	\$ 17,941.53	\$ 5,301.97
Crittenden	STS	2017	10/3/2019	\$ 22,592.64	\$ 17,389.53	\$ 5,203.11
Elliott	FEC	2017	6/3/2019	\$ 18,787.99	\$ 16,331.04	\$ 2,456.95
Elliott	FEC	2018	8/10/2020	\$ 20,782.03	\$ 17,131.75	\$ 3,650.28
Floyd	STS	2017	9/23/2019	\$ 26,121.56	\$ 17,389.53	\$ 8,732.03
Franklin	FES	2017	8/16/2019	\$ 21,260.93	\$ 17,941.53	\$ 3,319.40
Franklin	STS	2017	6/13/2019	\$ 19,594.04	\$ 17,389.53	\$ 2,204.51
Franklin	OSTS	2018	1/4/2021	\$ 23,669.25	\$ 17,298.21	\$ 6,371.04
Graves	IFEC	2017	6/13/2019	\$ 16,717.03	\$ 16,331.04	\$ 385.99
Green	FEC	2018	2/28/2020	\$ 18,840.43	\$ 16,331.04	\$ 2,509.39
Greenup	STS	2016	2/5/2020	\$ 24,220.57	\$ 17,389.53	\$ 6,831.04
Greenup	STS	2017	4/13/2020	\$ 26,891.38	\$ 17,389.53	\$ 9,501.85
Greenup	OSTS	2018	8/6/2020	\$ 18,853.99	\$ 17,298.21	\$ 1,555.78
Greenup	ISTS	2018	8/6/2020	\$ 21,240.05	\$ 17,298.21	\$ 3,941.84
Greenup	FES	2017	2/28/2020	\$ 24,530.59	\$ 17,941.53	\$ 6,589.06
Greenup	FES	2018	5/11/2020	\$ 22,574.98	\$ 17,941.53	\$ 4,633.45
Hardin	STS	2017	8/29/2019	\$ 17,755.42	\$ 17,389.53	\$ 365.89
Hart	OSTS	2018	5/29/2020	\$ 17,485.16	\$ 17,389.53	\$ 95.63
Jefferson	FEC	2018	5/12/2020	\$ 30,120.07	\$ 16,331.04	\$ 13,789.03
Jefferson	FEC	2019	1/6/2021	\$ 22,523.00	\$ 17,131.75	\$ 5,391.25
Johnson	STS	2017	8/2/2019	\$ 17,676.86	\$ 17,389.53	\$ 287.33
Kenton	FES	2017	9/25/2019	\$ 22,641.50	\$ 17,941.53	\$ 4,699.97
Kenton	STS	2017	1/9/2020	\$ 19,657.45	\$ 17,389.53	\$ 2,267.92
Knott	FEC	2018	1/13/2020	\$ 22,563.86	\$ 16,331.04	\$ 6,232.82
Knott	FEC	2019	3/2/2021	\$ 21,941.90	\$ 17,131.75	\$ 4,810.15
Laurel	FES	2018	3/5/2020	\$ 38,081.19	\$ 17,941.53	\$ 20,139.66
Laurel	FES	2019	1/13/2021	\$ 26,948.48	\$ 20,252.80	\$ 6,695.68
Laurel	STS	2019	3/25/2021	\$ 22,132.76	\$ 17,298.21	\$ 4,834.55
Lawrence	FES	2017	8/16/2019	\$ 23,095.48	\$ 17,941.53	\$ 5,153.95
Lawrence	STS	2017	7/10/2019	\$ 19,372.67	\$ 17,389.53	\$ 1,983.14

County	Audit Type	Audit Year	Audit Release Date	Amount Billed	150% Of The Average Bill	Eligible Credit Per Audit
Leslie	FES	2017	6/10/2019	\$ 38,824.17	\$ 17,941.53	\$ 20,882.64
Leslie	STS	2017	8/6/2019	\$ 25,748.36	\$ 17,389.53	\$ 8,358.83
Leslie	FES	2018	2/28/2020	\$ 28,193.32	\$ 17,941.53	\$ 10,251.79
Leslie	OSTS	2018	11/9/2020	\$ 24,100.01	\$ 17,298.21	\$ 6,801.80
Livingston	STS	2018	2/27/2020	\$ 17,852.27	\$ 17,389.53	\$ 462.74
Madison	FEC	2018	4/13/2020	\$ 18,207.50	\$ 16,331.04	\$ 1,876.46
Madison	FES	2017	11/19/2019	\$ 19,739.00	\$ 17,941.53	\$ 1,797.47
Madison	FES	2018	4/14/2020	\$ 20,671.81	\$ 17,941.53	\$ 2,730.28
Madison	FES	2019	1/4/2021	\$ 23,084.75	\$ 20,252.80	\$ 2,831.95
Magoffin	FEC	2017	7/30/2019	\$ 21,200.50	\$ 16,331.04	\$ 4,869.46
Magoffin	FEC-RFP	2018	2/25/2021	\$ 19,507.00	\$ 17,131.75	\$ 2,375.25
Magoffin	STS-UMC	2013	9/4/2019	\$ 27,996.00	\$ 17,389.53	\$ 10,606.47
Magoffin	STS	2014	9/4/2019	\$ 25,532.75	\$ 17,389.53	\$ 8,143.22
Magoffin	STS	2015	9/4/2019	\$ 33,995.19	\$ 17,389.53	\$ 16,605.66
Magoffin	STS-UMC	2015	9/4/2019	\$ 23,286.94	\$ 17,389.53	\$ 5,897.41
Magoffin	STS-G&O	2015	9/4/2019	\$ 22,032.29	\$ 17,389.53	\$ 4,642.76
Magoffin	STS	2016	1/9/2020	\$ 38,062.85	\$ 17,389.53	\$ 20,673.32
Magoffin	STS	2017	1/9/2020	\$ 19,529.96	\$ 17,389.53	\$ 2,140.43
Magoffin	FES	2014	9/4/2019	\$ 57,847.30	\$ 17,941.53	\$ 39,905.77
Magoffin	FES	2015	9/4/2019	\$ 59,416.54	\$ 17,941.53	\$ 41,475.01
Magoffin	FES	2016	9/4/2019	\$ 61,213.69	\$ 17,941.53	\$ 43,272.16
Magoffin	FES	2017	1/9/2020	\$ 64,747.55	\$ 17,941.53	\$ 46,806.02
Martin	FEC	2018	3/5/2020	\$ 17,291.54	\$ 16,331.04	\$ 960.50
Martin	FEC	2019	4/8/2021	\$ 17,907.80	\$ 17,131.75	\$ 776.05
Martin	STS	2017	3/5/2020	\$ 19,221.13	\$ 17,389.53	\$ 1,831.60
Martin	FES	2018	2/27/2020	\$ 18,809.39	\$ 17,941.53	\$ 867.86
Martin	STS	2018	3/2/2021	\$ 18,549.92	\$ 17,298.21	\$ 1,251.71
McCracken	STS	2017	7/10/2019	\$ 23,793.85	\$ 17,389.53	\$ 6,404.32
Owsley	FEC	2015	6/3/2019	\$ 22,243.07	\$ 16,331.04	\$ 5,912.03
Owsley	FEC	2016	6/13/2019	\$ 22,536.60	\$ 16,331.04	\$ 6,205.56
Owsley	FEC	2017	2/5/2020	\$ 20,355.76	\$ 16,331.04	\$ 4,024.72
Owsley	FEC	2018	8/7/2020	\$ 23,607.90	\$ 17,131.75	\$ 6,476.15
Owsley	FEC	2019	3/10/2021	\$ 19,954.74	\$ 17,131.75	\$ 2,822.99
Pike	FEC	2018	9/17/2019	\$ 18,032.50	\$ 16,331.04	\$ 1,701.46
Pike	FEC	2019	1/15/2021	\$ 17,322.50	\$ 17,131.75	\$ 190.75
Powell	FES	2017	9/9/2019	\$ 24,782.56	\$ 17,941.53	\$ 6,841.03
						\$ 541,125.74

## **E. Description of Reasons for Outlier Expense**

### **Barren County Clerk – 2018 FEC**

The reported finding in the audit details issues with poor internal controls over receipts and disbursements as well as failure to timely complete bank reconciliations. Issues of this nature result in additional time being necessary to complete the audit. Because this was an audit of the outgoing County Clerk, it also took additional time for auditors to obtain all the information needed to complete the audit.

Reported Finding:

- 2018-001 The Former Barren County Clerk’s Office Lacked Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Barren/2018barrenfec-audit.pdf>

### **Boone County Sheriff – 2017 STS**

Boone County has a large number of franchises and numerous taxing districts that are included in the settlement. Other factors included slow response times from the sheriff’s office to auditors, and errors that had to be investigated and corrected.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Boone/2017boonests-audit.pdf>

### **Boone County Sheriff – 2018 STS**

Boone County has a large number of franchises and numerous taxing districts that are included in the settlement. Other factors included slow response times from the sheriff’s office to auditors.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Boone/2018boonests-audit.pdf>

### **Boone County Sheriff – 2018 FES**

Like other counties with a population over 70,000, Boone County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Other factors included slow response times from the sheriff’s office to auditors.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Boone/2018boonefes-audit.pdf>

## **Boyd County Clerk – 2017 FEC**

The Boyd County Clerk uses numerous bank accounts, which require additional time for reconciliations, and there were also questions from the office regarding adjustments and the state escheat process that required additional time during the audit. There were numerous errors, corrections, and adjustments that did not rise to a material amount, but they required additional auditor time even though not rising to a finding in the report.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Boyd/2017boydfec-audit.pdf>

## **Boyd County Sheriff – 2017 STS**

The audit report describes multiple findings, itemized below. Issues such as the Sheriff's failure to settle prior-year accounts and failure to timely report and pay taxes to the districts require additional auditor time to ensure the taxes were properly distributed and are correctly reflected on the settlement.

### Reported Findings:

- 2017-001 The Sheriff Did Not Settle Prior Year Accounts
- 2017-002 The Sheriff Did Not Report And Pay Monthly Taxes To Districts Timely
- 2017-003 The Sheriff's Office Lacks Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Boyd/2017boydsts-audit.pdf>

## **Campbell County Sheriff – 2017 STS**

Campbell County has a large number of taxing districts, which means additional time is necessary to complete the audit and ensure the accuracy of the tax payments distributed to all of the districts.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Campbell/2017campbellsts-audit.pdf>

## **Carlisle County Clerk – 2017 FEC**

The audit report describes numerous findings, itemized below. Issues such as disallowed disbursement, weak internal controls over timekeeping, and the Clerk's failure to pay taxes to the districts require additional auditor time.

### Reported Findings:

- 2017-001 The Former Carlisle County Clerk Overspent Available Funds For 2017
- 2017-002 The Former Carlisle County Clerk Had Weak Internal Controls Over Timekeeping
- 2017-003 The Former Carlisle County Clerk Lacked Internal Controls Over Financial Reporting

- 2017-004 The Former Carlisle County Clerk Failed To Pay The Taxing Districts For All Delinquent Taxes Received From 2016
- 2017-005 The Former Carlisle County Clerk Failed To Pay The Taxing Districts For All Delinquent Taxes Received In 2017
- 2017-006 The Carlisle County Clerk’s Office Lacks Adequate Segregation Of Duties
- 2017-007 The Former Carlisle County Clerk Did Not Comply With KRS 64.535 By Paying His Own Salary In Advance
- 2017-008 The Former Carlisle County Clerk Had A Disallowed Disbursement During 2017

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Carlisle/2017carlislefec-audit.pdf>

### **Crittenden County Sheriff – 2017 FES**

The audit report describes multiple findings, itemized below. Issues such as failing to maintain proper accounting records and failing to have an accurate quarterly financial report require additional auditor time.

#### Reported Findings:

- 2017-001 The Crittenden County Sheriff Failed to Maintain Minimum Accounting Records
- 2017-002 The Crittenden County Sheriff Failed To Ensure The Quarterly Financial Report Was Complete And Accurate
- 2017-003 The Crittenden County Sheriff’s Office Lacks Adequate Segregation Of Duties
- 2017-004 The Crittenden County Sheriff Overspent Approved Budget By \$12,877 For Calendar Year 2017

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Crittenden/2017crittendenfes-audit.pdf>

### **Crittenden County Sheriff – 2017 STS**

The audit report describes multiple findings, itemized below. Issues such as lack of internal controls over tax collections and other errors require additional auditor time.

#### Reported Findings:

- 2017-001 The Crittenden County Sheriff’s Office Lacks Adequate Internal Controls Over Tax Collections Including Adequate Segregation Of Duties
- 2017-002 The Crittenden County Sheriff Failed To Properly Maintain Franchise Tax Bills
- 2017-003 The Crittenden County Sheriff Failed To Distribute Franchise And Limestone, Sand, And Gravel Taxes By The Tenth Day Each Month

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Crittenden/2017crittendensts-audit.pdf>



## **Elliott County Clerk – 2017 FEC**

The audit report describes numerous findings, itemized below. Issues such as failure to submit quarterly reports, failure to timely pay taxing districts, and other errors require additional auditor time.

### Reported Findings:

- 2017-001 The County Clerk Did Not Present Her Annual Settlement To The Fiscal Court Timely
- 2017-002 The County Clerk Did Not Comply With The County’s Fee Pooling Ordinance
- 2017-003 The County Clerk Did Not Submit Quarterly Financial Reports To The Department For Local Government
- 2017-004 The County Clerk Did Not Pay License Fees Timely
- 2017-005 The County Clerk Overlooked A Material Error, Made Late Payments, And Did Not Reconcile Ad Valorem Tax Reports
- 2017-006 The County Clerk Did Not Pay Delinquent Taxes To Districts Timely
- 2017-007 The County Clerk’s Office Lacks Adequate Segregation Of Duties And Internal Controls Over Fee Receipts And Disbursements

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Elliott/2017elliottfec-audit.pdf>

## **Elliott County Clerk – 2018 FEC**

The audit report describes numerous findings, itemized below. Many of the issues noted in the findings were repeated from the previous year’s audit. Finding 2018-001 details the County Clerk’s failure to fulfill her duties as an elected official, and this finding was referred to the Kentucky Office of the Attorney General as well as other oversight agencies. The number and extent of the issues identified with the office required additional auditor time.

### Reported Findings:

- 2018-001 The County Clerk Is Not Fulfilling Her Duties As An Elected County Official
- 2018-002 The County Clerk’s Office Lacks Adequate Segregation Of Duties And Internal Controls Over Fee Receipts And Disbursements
- 2018-003 The County Clerk Did Not Comply With The County’s Fee Pooling Ordinance
- 2018-004 The County Clerk Did Not Pay Delinquent Taxes To Districts Timely
- 2018-005 The County Clerk Did Not Remit The Correct Amount Or Timely Payments Of Affordable Housing To The State
- 2018-006 The County Clerk Did Not Remit Payments Of Legal Process Tax To The State
- 2018-007 The County Clerk Owes \$16,452 Of Usage Tax To The State
- 2018-008 The County Clerk Owes Ad Valorem Taxes To Taxing Districts In The Amount Of \$79,211
- 2018-009 The County Clerk Did Not Pay License Fees Timely
- 2018-010 The County Clerk Did Not Prepare All Franchise Tax Bills

- 2018-011 The County Clerk Has Not Settled The 2017 Fee Account
- 2018-012 The County Clerk Did Not Deposit Grant Funds Timely

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Elliott/2018elliottfec-audit.pdf>

### **Floyd County Sheriff – 2017 STS**

Floyd County has a large number of taxing districts, which means additional time is necessary to complete the audit and ensure the accuracy of the tax payments distributed to all of the districts.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Floyd/2017floydsts-audit.pdf>

### **Franklin County Sheriff – 2017 FES**

The audit report describes multiple findings, itemized below. Issues such as an inaccurate fourth quarter report required additional time for auditors to identify and make corrections. Additionally, the former Sheriff failed to be available for discussions with auditors on a timely basis as issues were identified during the audit process.

#### Reported Findings:

- 2017-001 The Former Sheriff's Final Fourth Quarter Report Did Not Accurately Reflect Total Receipts
- 2017-002 The Former Sheriff Overspent His Approved Budget

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Franklin/2017franklinfes-audit.pdf>

### **Franklin County Sheriff – 2017 STS**

The audit report describes multiple findings, itemized below. Issues such as poor internal controls and oversight require additional auditor time.

#### Reported Findings:

- 2017-001 The Former Franklin County Sheriff Lacked Adequate Segregation Of Duties Over Daily Accounting And Reporting Functions
- 2017-002 The Former Franklin County Sheriff Did Not Ensure Tax Collections Were Deposited Daily
- 2017-003 The Former Franklin County Sheriff Lacked Adequate Controls And Oversight For Daily Office Procedures

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Franklin/2017franklinsts-audit.pdf>

## **Franklin County Sheriff – 2018 Outgoing STS**

The audit report describes multiple findings, itemized below. Issues such as poor internal controls and inaccuracies in the Sheriff's tax settlement require additional auditor time.

### Reported Findings:

- 2018-001 The Former Franklin County Sheriff Lacked Adequate Controls And Oversight For Daily Office Procedures
- 2018-002 The Former Franklin County Sheriff Lacked Adequate Segregation Of Duties Over Daily Accounting And Reporting Functions
- 2018-003 The Former Franklin County Sheriff's Tax Settlement Was Inaccurate

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Franklin/2018franklinosts-audit.pdf>

## **Graves County Clerk – 2017 FEC**

The audit report describes multiple findings, itemized below. Issues such as failing to reconcile ledgers and misstatement of fee disbursements require additional auditor time.

### Reported Findings:

- 2017-001 The Former Graves County Clerk Did Not Reconcile Accounts Receivable Subsidiary Ledgers To The Fee Ledgers
- 2017-002 The Former Graves County Clerk's Fee Disbursements Were Materially Misstated By \$276,273

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Graves/2017gravesfec-audit.pdf>

## **Green County Clerk – 2018 FEC**

The audit report describes numerous findings, itemized below. Issues such as poor internal controls, inaccuracies on the Clerk's fourth quarter financial report, and failure to follow regulations on third-party purchases of delinquent tax bills require additional auditor time.

### Reported Findings:

- 2018-001 The Former Green County Clerk's Office Lacked Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2018-002 The Former Green County Clerk Lacked Adequate Internal Controls Over Payroll Information Processed By A Service Organization
- 2018-003 The Former Green County Clerk Did Not Maintain Proper Internal Controls Over Payroll
- 2018-004 The Former Green County Clerk's Fourth Quarter Financial Report Was Materially Inaccurate

- 2018-005 The Former Green County Clerk Did Not Require Third-Party Purchasers Of Delinquent Tax Bills To Make Deposits And Payments In Accordance With 103 KAR 5:180

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Green/2018greenfec-audit.pdf>

### **Greenup County Sheriff – 2016 STS**

Greenup County has a large number of taxing districts, which means additional time is necessary to complete the audit and ensure the accuracy of the tax payments distributed to all of the districts. Additionally, the audit report describes multiple findings, itemized below. Issues such as failing to properly collect and pay funds in prior tax years require additional auditor time.

#### Reported Findings:

- 2016-001 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities For The 2014 Tax Year
- 2016-002 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities For The 2013, 2012, 2011, And 2010 Tax Years
- 2016-003 The Former Sheriff's Office Lacked Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Greenup/2016greenupsts-audit.pdf>

### **Greenup County Sheriff – 2017 STS**

Greenup County has a large number of taxing districts, which means additional time is necessary to complete the audit and ensure the accuracy of the tax payments distributed to all of the districts. Additionally, the audit report describes multiple findings, itemized below. Issues such as failing to properly collect and pay funds in prior tax years require additional auditor time. Many of the findings were repeated issues from the prior-year audit and remained unresolved.

#### Reported Findings:

- 2017-001 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities For The 2016 Tax Year
- 2017-002 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities For The 2014 Tax Year
- 2017-003 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities For The 2013, 2012, 2011 And 2010 Tax Years
- 2017-004 The Former Sheriff's Office Lacked Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Greenup/2017greenupsts-audit.pdf>

## **Greenup County Sheriff – 2018 Outgoing STS**

Greenup County has a large number of taxing districts, which means additional time is necessary to complete the audit and ensure the accuracy of the tax payments distributed to all of the districts. Additionally, the audit report describes multiple findings, itemized below. Issues such as failing to properly collect and pay funds in prior tax years require additional auditor time. Many of the findings were repeated issues from the prior-year audit and remained unresolved.

### Reported Findings:

- 2018-001 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities Of The 2017 Tax Year
- 2018-002 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities Of The 2016 Tax Year
- 2018-003 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities Of The 2014 Tax Year
- 2018-004 The Former Sheriff Did Not Collect Receivables Or Pay Liabilities Of The 2013, 2012, 2011, And 2010 Tax Years
- 2018-005 The Former Sheriff’s Office Lacked Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Greenup/2018greenuposts-audit.pdf>

## **Greenup County Sheriff – 2018 Incoming STS**

Additional auditor time was required to assist the new Greenup County Sheriff by answering questions and helping the new Sheriff resolve the issues identified in previous audits related to the former Sheriff’s failure to properly collect and pay funds from prior tax years dated back to 2010.

### Reported Finding:

- 2018-001 The Sheriff’s Office Lacks Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Greenup/2018greenupists-audit.pdf>

## **Greenup County Sheriff – 2017 FES**

The audit had a disclaimed opinion, based on the Sheriff’s failure to provide auditors with required written management representations. Additionally, the audit report describes multiple findings, itemized below. Issues such as disallowed disbursements and unresolved prior-year findings require additional auditor time. The disallowed disbursement findings were referred to the Greenup County Attorney.

#### Reported Findings:

- 2017-001 Disallowed Disbursements Totaling \$5,923 From The 2016, 2015, and 2014 Fee Accounts Were Not Repaid By The Former Sheriff
- 2017-002 Disallowed Disbursements Totaling \$32,994 From The 2016, 2015, and 2014 Special Enforcement Account Were Not Repaid By The Former Sheriff
- 2017-003 The Former Sheriff Did Not File A Listing Of Property Seized With The Proper Authorities
- 2017-004 The Former Sheriff's Office Lacked Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Greenup/2017greenupfes-audit.pdf>

#### **Greenup County Sheriff – 2018 FES**

The audit report describes multiple findings, itemized below. Issues such as disallowed disbursements and unresolved prior-year findings require additional auditor time. The disallowed disbursement findings were referred to the Greenup County Attorney.

#### Reported Findings:

- 2018-001 Disallowed Disbursements Totaling \$5,923 From The 2016, 2015, And 2014 Fee Accounts Were Not Repaid By The Former Sheriff
- 2018-002 Disallowed Disbursements Totaling \$32,994 From The 2016, 2015, And 2014 Special Enforcement Account Were Not Repaid By The Former Sheriff
- 2018-003 The Former Sheriff's Office Lacked Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Greenup/2018greenupfes-audit.pdf>

#### **Hardin County Sheriff – 2017 STS**

There were numerous errors, corrections, and adjustments that did not rise to a material amount, but they required additional auditor time even though not rising to a finding in the report. Additionally, the finding in the audit report details a lack of segregation of duties over receipts in the office.

#### Reported Finding:

- 2017-001 The Sheriff's Office Lacks Adequate Segregation Of Duties Over Receipts

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Hardin/2017hardinsts-audit.pdf>

#### **Hart County Sheriff – 2018 Outgoing STS**

As noted in the reported finding, the outgoing Sheriff's tax settlement was materially misstated. Issues of this nature require additional auditor time to ensure the accuracy of the tax payments distributed to the taxing districts.

Reported Finding:

- 2018-001 The Former Hart County Sheriff's 2018 Outgoing Tax Settlement Was Materially Misstated

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Hart/2018hartosts-audit.pdf>

**Jefferson County Clerk – 2018 FEC**

Like other counties with a population over 70,000, Jefferson County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of "Over 70 County" officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. For example, in the case of Jefferson County, payroll testing requires additional time due to the large number of employees (250+) in this office compared to the average county.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Jefferson/2018jeffersonfec-audit.pdf>

**Jefferson County Clerk – 2019 FEC**

Like other counties with a population over 70,000, Jefferson County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of "Over 70 County" officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. For example, in the case of Jefferson County, payroll testing requires additional time due to the large number of employees (250+) in this office compared to the average county

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Jefferson/2019jeffersonfec-audit.pdf>

**Johnson County Sheriff – 2017 STS**

Johnson County has a large number of taxing districts, which means additional time is necessary to complete the audit and ensure the accuracy of the tax payments distributed to all of the districts. Additionally, the audit report details the lack of segregation of duties in the office.

Reported Finding:

- 2017-001 The Former Sheriff's Office Lacked Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Johnson/2017johnsonsts-audit.pdf>

## **Kenton County Sheriff – 2017 FES**

Like other counties with a population over 70,000, Kenton County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Kenton/2017kentonfes-audit.pdf>

## **Kenton County Sheriff – 2017 STS**

Kenton County has a large number of taxing districts, which means additional time is necessary to complete the audit and ensure the accuracy of the tax payments distributed to all of the districts.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Kenton/2017kentonsts-audit.pdf>

## **Knott County Clerk – 2018 FEC**

Knott County had a new County Clerk at the time this audit was conducted, and numerous small issues during the audit required additional time to resolve. The audit report also notes the lack of segregation of duties in the office under the former County Clerk. The prior-year audit report contained four findings that also required follow up to ensure corrective action had been taken.

Reported Finding:

- 2018-001 The Former County Clerk Did Not Have Segregation of Duties Over Receipts

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Knott/2018KnottFEC-audit.pdf>

## **Knott County Clerk – 2019 FEC**

Additional time was required on the audit due to a combination of both errors and questions that auditors had to address. The audit report also describes multiple findings, itemized below.

Reported Findings:

- 2019-001 The County Clerk Did Not Have Segregation Of Duties Over Receipts
- 2019-002 The County Clerk Overspent Her Approved Budget



- 2019-003 The County Clerk Did Not Require The Depository Institution To Pledge Or Provide Additional Collateral Of \$67,809 And Enter Into A Written Agreement To Protect Deposits

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Knott/2019KnottFEC-audit.pdf>

### **Laurel County Sheriff – 2018 FES**

The Laurel County Sheriff expended a large enough amount of federal funds to trigger the requirements of the Federal Single Audit Act, which meant additional procedures were required in order to comply with federal requirements. Furthermore, the audit report describes multiple findings, itemized below. Finding 2018-001 was referred to the Kentucky Office of the Attorney General due to undeposited receipts. Issues such as those identified in the findings also require additional auditor time.

#### Reported Findings:

- 2018-001 The Laurel County Sheriff's Office Did Not Issue Receipts For All Auto Inspections
- 2018-002 The Laurel County Sheriff's Office Did Not Comply With Competitive Bidding Requirements For Federal Awards
- 2018-003 The Laurel County Sheriff Reported An Issue Pertaining To Timesheets To Auditors

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Laurel/2018laurelfes-audit.pdf>

### **Laurel County Sheriff – 2019 FES**

Additional auditor time was required to follow up on prior-year audit findings, as noted above, to ensure that appropriate corrective action had been taken.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Laurel/2019laurelsts-audit.pdf>

### **Laurel County Sheriff – 2019 STS**

As noted in the reported finding, the Sheriff's tax settlement was materially misstated. Issues of this nature require additional auditor time to ensure the accuracy of the tax payments distributed to the taxing districts.

#### Reported Finding:

- 2019-001 The Laurel County Sheriff's 2019 Tax Settlement Was Materially Misstated

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Laurel/2019laurelsts-audit.pdf>

## **Lawrence County Sheriff – 2017 FES**

The audit report describes multiple findings, itemized below. Issues such as inaccurate financial reporting and failure to make daily deposits require additional auditor time.

### Reported Findings:

- 2017-001 The Former Lawrence County Sheriff's Quarterly Financial Report Was Not Properly Classified, Materially Accurate, Or Submitted To The Department For Local Government
- 2017-002 The Former Sheriff's Office Did Not Make Deposits Daily
- 2017-003 The Former Sheriff's Office Lacked Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Lawrence/2017lawrencefes-audit.pdf>

## **Lawrence County Sheriff – 2017 STS**

The audit report describes multiple findings, itemized below. Issues such as failure to timely pay taxing districts and failure to resolve issues identified with prior-year accounts require additional auditor time.

### Reported Findings:

- 2017-001 The Former Sheriff Did Not Report And Pay Monthly Taxes To Districts Timely
- 2017-002 The Former Sheriff Did Not Remit Interest Payments To The School And Fee Account Monthly
- 2017-003 The Former Sheriff Has Not Collected Receivables Or Paid Liabilities Of The 2012, 2014, 2015, And 2016 Tax Years
- 2017-004 The Former Sheriff's Office Lacked Adequate Segregation Of Duties And Internal Controls Over Tax Receipts And Disbursements

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Lawrence/2017lawrencests-audit.pdf>

## **Leslie County Sheriff – 2017 FES**

The audit report describes numerous findings, itemized below. Issues such as inaccurate financial reporting, failure to issue receipts, failure to resolve issues with prior-year accounts require additional auditor time. Additionally, Finding 2017-001 was referred to the Kentucky Office of the Attorney General due to issues identified with undeposited receipts.

### Reported Findings:

- 2017-001 The Former Leslie County Sheriff's Office Did Not Issue Receipts For All Auto Inspections And A Deputy Sheriff Received Third Party Compensation For Performing Official Duties
- 2017-002 The Former Leslie County Sheriff's Quarterly Report Was Materially Inaccurate

- 2017-003 The Former Leslie County Sheriff's Office Lacked Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2017-004 The Former Leslie County Sheriff Has Not Received Telecommunications Tax Commissions Due To His Fee Account
- 2017-005 The Former Leslie County Sheriff Has Not Settled 2016 Fee Account Receivables And Liabilities
- 2017-006 The Former Leslie County Sheriff Has Not Settled 2015 Fee Account Receivable And Liability Due Per Audit

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Leslie/2017lesliefes-audit.pdf>

### **Leslie County Sheriff – 2017 STS**

The audit report describes multiple findings, itemized below. Issues such as failure to timely pay taxing districts and failure to resolve issues identified with prior-year accounts require additional auditor time.

#### Reported Findings:

- 2017-001 The Former Leslie County Sheriff's Office Lacked Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2017-002 The Former Leslie County Sheriff's Settlement Was Not Accurate And Tax Collections Should Be Settled
- 2017-003 The Former Leslie County Sheriff Distributed Taxes Late
- 2017-004 Receivables And Liabilities Are Due To Properly Settle 2014, 2015, And 2016 Tax Collections

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Leslie/2017lesliests-audit.pdf>

### **Leslie County Sheriff – 2018 FES**

The audit had a disclaimed opinion, because the former Sheriff did not maintain adequate accounting records to support the financial statements. Additionally, the audit report describes numerous findings, itemized below. Issues such as prior-year accounts not being resolved, and an overall lack of necessary accounting records require additional auditor time. Finding 2018-003 was referred to the Leslie County Attorney to determine if further procedures to collect amounts due would be required or pursued.

#### Reported Findings:

- 2018-001 The Former Leslie County Sheriff's Quarterly Report Was Not Supported By Accounting Records, Quarterly Reports Were Submitted Late, And He Did Not Make Settlement With Fiscal Court
- 2018-002 The Former Leslie County Sheriff's Office Lacked Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations
- 2018-003 The Former Leslie County Sheriff Has Not Settled His 2015, 2016, And 2017 Fee Account Receivables And Liabilities
- 2018-004 The Former Leslie County Sheriff Did Not Adequately Monitor Inventory

- 2018-005 The Former Leslie County Sheriff Lacked Internal Controls Over Disbursements
- 2018-006 The Former Leslie County Sheriff Has Not Settled His 2018 Fee Account Receivables And Liabilities

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Leslie/2018lesliefes-audit.pdf>

### **Leslie County Sheriff – 2018 Outgoing STS**

The audit had a disclaimed opinion, because the former Sheriff did not maintain adequate accounting records of tax receipts and disbursements. The audit report describes numerous findings, itemized below. Issues such as prior-year accounts not being resolved, failure to timely distribute funds to the taxing districts, and an overall lack of necessary accounting records require additional auditor time.

#### Reported Findings:

- 2018-001 The Former Leslie County Sheriff's Office Did Not Have Adequate Segregation Of Duties Over Receipts, Disbursements, and Reconciliations
- 2018-002 The Former Leslie County Sheriff Lost All Data Pertaining To 2018 Tax Collections And Did Not Have Back Up Procedures In Place For Tax Collection Data
- 2018-003 The Former Leslie County Sheriff's 2018 Tax Settlement Was Not Accurate And Not Supported By Accounting Records
- 2018-004 The Former Leslie County Sheriff Has Not Properly Settled 2018 Tax Account Receivables And Liabilities
- 2018-005 The Former Leslie County Sheriff Has Not Settled His 2014, 2015, 2016, And 2017 Tax Account Receivables And Liabilities
- 2018-006 The Former Leslie County Sheriff Distributed Taxes Late

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Leslie/2018leslieosts-audit.pdf>

### **Livingston County Sheriff – 2018 STS**

The audit report describes multiple findings, itemized below. Issues such as poor internal controls and an inaccurate settlement require additional auditor time.

#### Reported Findings:

- 2018-001 The Livingston County Sheriff's Office Lacks Adequate Segregation Of Duties
- 2018-002 The Livingston County Sheriff Did Not Have Adequate Controls To Ensure The County Tax Settlement Was Accurate
- 2018-003 The Livingston County Sheriff's Office Did Not Make Deposits Intact

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Livingston/2018LivingstonSTS-audit.pdf>

## **Madison County Clerk – 2018 FEC**

Like other counties with a population over 70,000, Madison County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Additionally, the audit report details a lack of adequate internal controls over daily receipts.

### Reported Finding:

- 2018-001 The Madison County Clerk Lacked Adequate Internal Controls Over The Daily Receipts Process

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Madison/2018madisonfec-audit.pdf>

## **Madison County Sheriff - 2017 FES**

Like other counties with a population over 70,000, Madison County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Additionally, the audit report detailed the expenditure of funds for unallowable items and the lack of adequate segregation of duties.

### Reported Findings:

- 2017-001 The Madison County Sheriff Does Not Have Adequate Segregation Of Duties For Receipts, Disbursements, And Reconciliations
- 2017-002 The Madison County Sheriff Expended Funds For Unallowable Items

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Madison/2017madisonfes-audit.pdf>

## **Madison County Sheriff - 2018 FES**

Like other counties with a population over 70,000, Madison County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the

larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Additionally, the audit report describes multiple findings, itemized below. Issues such as overspending and improper spending require additional auditor time.

Reported Findings:

- 2018-001 The Sheriff's 75% Operating Fund Had A Deficit Balance At End Of Term
- 2018-002 The Madison County Sheriff Expended Funds For Unallowable Items
- 2018-003 The Madison County Sheriff Does Not Have Adequate Segregation Of Duties For Disbursements And Reconciliations

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Madison/2018madisonfes-audit.pdf>

### **Madison County Sheriff - 2019 FES**

Like other counties with a population over 70,000, Madison County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of "Over 70 County" officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Additionally, the Sheriff's fourth quarter report was inaccurate.

Reported Finding:

- 2019-001 The Madison County Sheriff's Fourth Quarter Report Contained Material Inaccuracies

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Madison/2019madisonfes-audit.pdf>

### **Magoffin County Clerk – 2017 FEC**

The audit report describes multiple findings, itemized below. Issues such as inaccurate and incomplete financial reports require additional auditor time.

Reported Findings:

- 2017-001 The County Clerk's Office Lacks Adequate Segregation Of Duties
- 2017-002 The Fourth Quarter Financial Report Was Not Complete and Accurate

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2017magoffinfec-audit.pdf>

## **Magoffin County Clerk – 2018 FEC**

The audit report describes multiple findings, itemized below. There was overall poor work quality in the clerk's office evidenced by numerous accounting errors. Issues such as inaccurate and incomplete financial reports require additional auditor time.

### Reported Findings:

- 2018-001 The County Clerk's Office Lacks Adequate Segregation Of Duties
- 2018-002 The County Clerk's Fourth Quarter Financial Report Was Not Complete And Accurate

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2018magoffinfec-audit.pdf>

## **Magoffin County Sheriff – 2013 Unmined Coal STS**

The audit report describes numerous findings, itemized below. Issues such as failure to comply with the Uniform System of Accounts, failure to timely distribute payments to the taxing districts, and failure to close out prior-year accounts require additional auditor time.

### Reported Findings:

- 2013-001 The Sheriff Did Not Comply With The Uniform System Of Accounts
- 2013-002 The Sheriff Did Not Distribute 10% Add-On Fees On A Monthly Basis
- 2013-003 The Annual Settlement Of Tax Collections Was Not Prepared Timely
- 2013-004 The Sheriff's Office Did Not Report And Distribute Taxes Collected By The Tenth Of Each Month
- 2013-005 The Sheriff Did Not Settle His 2010 Unmined Coal Account
- 2013-006 The Sheriff Did Not Settle His 2012 Unmined Coal Account
- 2013-007 The Sheriff's Office Lacks Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2013magoffinsts-umc-audit.pdf>

## **Magoffin County Sheriff – 2014 STS**

The audit report describes numerous findings, itemized below. Issues such as failure to prepare an annual settlement, failure to pay his liabilities, and failure to properly distribute payments require additional auditor time. Furthermore, the Sheriff's use of prior-year tax funds to operate his office, combined with failure to close out the prior-year accounts, required significant additional auditor time to ensure the settlement reflected the proper amounts due for each year to each taxing district.

### Reported Findings:

- 2014-001 The Sheriff's Office Lacks Adequate Segregation Of Duties Over Receipts And Disbursements

- 2014-002 The Sheriff Has Unpaid Liabilities of \$18,808 And A Deficit In His 2014 Tax Account
- 2014-003 The Sheriff's Office Did Not Properly Account For Franchise Tax Bills
- 2014-004 The Sheriff Did Not Distribute Interest Payments To The School And The Fee Account
- 2014-005 The Sheriff Did Not Distribute 10% Add-On Fees On A Monthly Basis
- 2014-006 The Sheriff Did Not Prepare The Annual Settlement Of Tax Collections Timely
- 2014-007 The Sheriff Did Not Settle His 2013 Tax Account
- 2014-008 The Sheriff Used 2012 Tax Surplus Money To Operate His Office
- 2014-009 The Sheriff Did Not Settle His 2011 Tax Account
- 2014-010 The Sheriff Failed To Eliminate The Deficit In His 2010 Tax Account

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2014magoffinsts-audit.pdf>

### **Magoffin County Sheriff – 2015 STS**

The audit report describes numerous findings, itemized below. Issues such as failure to prepare an annual settlement, failure to pay his liabilities, and failure to properly distribute payments require additional auditor time. Furthermore, the Sheriff's use of prior-year tax funds to operate his office, combined with failure to close out the prior-year accounts, required significant additional auditor time to ensure the settlement reflected the proper amounts due for each year to each taxing district.

#### Reported Findings:

- 2015-001 The Sheriff Has Unpaid Liabilities of \$18,808 And A Deficit In His 2014 Tax Account
- 2015-002 The Sheriff Did Not Distribute Interest Payments To The School And The Fee Account
- 2015-003 The Sheriff Did Not Properly Distribute 10% Add-On Fees
- 2015-004 The Sheriff Did Not Prepare The Annual Settlement Of Tax Collections Timely And Accurately
- 2015-005 The Sheriff Over Paid Tax Commissions To The Fee Account
- 2015-006 The Sheriff Failed To Eliminate The Deficit In His 2010 Tax Account
- 2015-007 The Sheriff Did Not Settle His 2011 Tax Account
- 2015-008 The Sheriff Used 2012 Tax Surplus Money To Operate His Office
- 2015-009 The Sheriff Did Not Settle His 2013 Tax Account
- 2015-010 The Sheriff's Office Lacks Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2015magoffinsts-audit.pdf>



## **Magoffin County Sheriff – 2015 Unmined Coal STS**

The audit report describes numerous findings, itemized below. Issues such as failure to timely prepare an annual settlement and failure to properly distribute payments require additional auditor time. Furthermore, the Sheriff's use of prior-year tax funds to operate his office, combined with failure to close out the prior-year accounts, required significant additional auditor time to ensure the settlement reflected the proper amounts due for each year to each taxing district.

### Reported Findings:

- 2015-001 The Sheriff's Office Lacks Adequate Segregation Of Duties
- 2015-002 The Sheriff Did Not Prepare The Annual Settlement Of Tax Collections Timely
- 2015-003 The Sheriff Did Not Ensure That Timely And Accurate Bank Reconciliations Were Completed
- 2015-004 The Sheriff Over Paid Tax Commissions To The Fee Account
- 2015-005 The Sheriff Failed To Eliminate The Deficit In His 2010 Unmined Coal Tax Account
- 2015-006 The Sheriff Failed To Eliminate The Deficit In His 2012 Unmined Coal Tax Account
- 2015-007 The Sheriff Has Not Settled His 2013 Unmined Coal Tax Account
- 2015-008 The Sheriff Has A Surplus of \$267 In His 2014 Unmined Coal Tax Account

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2015magoffinsts-umc-audit.pdf>

## **Magoffin County Sheriff – 2015 Gas & Oil STS**

The audit report describes numerous findings, itemized below. Issues such as failure to prepare an annual settlement, and failure to properly distribute payments require additional auditor time.

### Reported Findings:

- 2015-001 The Sheriff's Office Lacks Adequate Segregation Of Duties
- 2015-002 The Sheriff Did Not Distribute Interest Payments To The School and The Fee Account
- 2015-003 The Sheriff Overpaid Tax Commissions To The Fee Account
- 2015-004 The Sheriff Did Not Prepare The Annual Settlement Of Tax Collections Timely And Accurately

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2015magoffinsts-og-audit.pdf>

## **Magoffin County Sheriff – 2016 STS**

The audit report describes numerous findings, itemized below. Issues such as failure to accurately prepare an annual settlement, failure to pay his liabilities, and failure to properly distribute payments require additional auditor time. Furthermore, the Sheriff's use of prior-year tax funds to operate his office, combined with failure to close out the prior-year accounts, required significant additional auditor time to ensure the settlement reflected the proper amounts due for each year to each taxing district.

### **Reported Findings:**

- 2016-001 The Sheriff Has Unpaid Liabilities of \$18,808 And A Deficit In His 2014 Tax Account
- 2016-002 The Sheriff Did Not Distribute Interest Payments To The School And The Fee Account
- 2016-003 The Sheriff's Annual Settlement Was Materially Misstated
- 2016-004 The Sheriff Does Not Have Adequate Internal Controls Over Bank Franchises
- 2016-005 The Sheriff Did Not Settle His 2013 Tax Account
- 2016-006 The Sheriff Did Not Settle His 2015 Tax Account
- 2016-007 The Sheriff Has Not Settled His 2013 Unmined Coal Tax Account
- 2016-008 The Sheriff Has A Surplus Of \$267 In His 2014 Unmined Coal Tax Account
- 2016-009 The Sheriff's Office Lacks Adequate Internal Controls Over Franchise Collections
- 2016-010 The Sheriff's Office Lacks Adequate Segregation Of Duties
- 2016-011 The Sheriff Did Not Ensure Accurate Bank Reconciliations Were Completed

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2016magoffinsts-audit.pdf>

## **Magoffin County Sheriff – 2017 STS**

The audit report describes numerous findings, itemized below. Issues such as failure to prepare an annual settlement, failure to pay his liabilities, and failure to properly distribute payments require additional auditor time. Furthermore, the Sheriff's use of prior-year tax funds to operate his office, combined with failure to close out the prior-year accounts, required significant additional auditor time to ensure the settlement reflected the proper amounts due for each year to each taxing district.

### **Reported Findings:**

- 2017-001 The Sheriff Has Unpaid Liabilities Of \$18,808 And A Deficit In His 2014 Tax Account
- 2017-002 The Sheriff Did Not Distribute Interest Payments To The School And The Fee Account
- 2017-003 The Sheriff's Annual Settlement Was Materially Misstated
- 2017-004 The Sheriff Over Paid Tax Commissions To The Fee Account
- 2017-005 The Sheriff Did Not Settle His 2013 Tax Account

- 2017-006 The Sheriff Did Not Settle His 2015 Tax Account
- 2017-007 The Sheriff Has Not Settled His 2013 Unmined Coal Tax Account
- 2017-008 The Sheriff Has A Surplus Of \$267 In His 2014 Unmined Coal Tax Account
- 2017-009 The Sheriff's Office Lacks Adequate Internal Controls Over Franchise Collections
- 2017-010 The Sheriff's Office Lacks Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2017magoffinsts-audit.pdf>

### **Magoffin County Sheriff – 2014 FES**

The audit report describes numerous findings, itemized below. Finding 2014-001 describes the Sheriff's failure to oversee the daily operations of his office, which resulted in significant accounting deficiencies. Other issues included failure to submit financial reports, operating with deficits in accounts, poor internal controls, and failure to remit payroll withholdings as required by law. Additionally, the Sheriff's failure to close out prior-year accounts combined with the host of other issues to require significant additional auditor time.

#### Reported Findings:

- 2014-001 The Sheriff Did Not Oversee The Daily Operations Of His Office Which Resulted In Significant Accounting Deficiencies
- 2014-002 The Sheriff Did Not Have Internal Controls Over Financial Reporting
- 2014-003 The Sheriff Did Not Submit Quarterly Financial Reports To The Department For Local Government As Required By Law
- 2014-004 The Magoffin County Sheriff Has A Deficit Of \$14,011 In His Official Bank Account
- 2014-005 The Payroll Revolving Account Has A Deficit Of \$30,246
- 2014-006 The Sheriff Had \$1,600 In Disallowed Expenditures
- 2014-007 The Sheriff Lacked Internal Controls Over Disbursements
- 2014-008 The Sheriff Did Not Maintain Controls Over Fuel Cards
- 2014-009 The Sheriff Overcharged Taxpayers For Vehicle Inspections
- 2014-010 The Sheriff Assigned Court Security Officers Paid By The Administrative Office Of The Court To Work In His Tax And Fee Office
- 2014-011 The Sheriff Did Not Have Adequate Controls Over The Payroll Process
- 2014-012 The Sheriff Did Not Remit Payroll Withholding Funds To Proper Agencies And Incurred Significant Penalties And Interest Charges
- 2014-013 The Sheriff Did Not Settle His 2011 Fee Account
- 2014-014 The Sheriff Did Not Settle His 2012 Fee Account
- 2014-015 The Sheriff Did Not Settle His 2013 Fee Account

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2014magoffinfes-audit.pdf>

### **Magoffin County Sheriff – 2015 FES**

The audit report describes numerous findings, itemized below. Finding 2015-001 describes the Sheriff's failure to oversee the daily operations of his office, which resulted in

significant accounting deficiencies. Other issues included failure to submit quarterly financial reports, failure to present an annual settlement and pay excess fees to the fiscal court, poor internal controls, and failure to accurately remit payroll withholdings as required by law. Additionally, the Sheriff's failure to close out prior-year accounts combined with the host of other issues to require significant additional auditor time.

Reported Findings:

- 2015-001 The Sheriff Did Not Oversee The Daily Operations Of His Office Which Resulted In Significant Accounting Deficiencies
- 2015-002 The Sheriff Did Not Have Internal Controls Over Financial Reporting
- 2015-003 The Sheriff Did Not Submit Quarterly Financial Reports To The Department For Local Government As Required By Law
- 2015-004 The Sheriff Did Not Present An Annual Settlement To The Fiscal Court and Did Not Pay Excess Fees Of \$22,659 For Calendar Year 2015
- 2015-005 The Sheriff Overcharged Taxpayers For Vehicle Inspections
- 2015-006 The Sheriff Did Not Properly Transfer Funds To The Payroll Account
- 2015-007 The Sheriff Assigned Court Security Officers Paid By The Administrative Office Of The Courts To Work In His Tax And Fee Office
- 2015-008 The Sheriff Did Not Have Adequate Controls Over The Payroll Process
- 2015-009 The Sheriff Did Not Accurately Remit Payroll Withholdings To The Proper Agencies
- 2015-010 The Sheriff Did Not Settle His 2011 Fee Account
- 2015-011 The Sheriff Did Not Settle His 2012 Fee Account
- 2015-012 The Sheriff Did Not Settle His 2013 Fee Account
- 2015-013 The Sheriff Has A Deficit of \$14,011 In His 2014 Fee Account

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2015magoffinfes-audit.pdf>

### **Magoffin County Sheriff – 2016 FES**

The audit report describes numerous findings, itemized below. Finding 2016-001 describes the Sheriff's failure to oversee the daily operations of his office, which resulted in significant accounting deficiencies. Other issues included failure to submit quarterly financial reports, failure to present an annual settlement and pay excess fees to the fiscal court, poor internal controls, and failure to accurately remit payroll withholdings as required by law. Additionally, the Sheriff's failure to close out prior-year accounts combined with the host of other issues to require significant additional auditor time.

Reported Findings:

- 2016-001 The Sheriff Did Not Oversee The Daily Operations Of His Office Which Resulted In Significant Accounting Deficiencies
- 2016-002 The Sheriff Did Not Have Internal Controls Over Financial Reporting
- 2016-003 The Sheriff Did Not Submit Quarterly Financial Reports To The Department For Local Government As Required By Law
- 2016-004 The Sheriff Did Not Present An Annual Settlement To The Fiscal Court For The Calendar Year And Did Not Pay Excess Fees Of \$18,255 For Calendar Year 2016
- 2016-005 The Sheriff Did Not Settle His 2011 Fee Account

- 2016-006 The Sheriff Did Not Settle His 2012 Fee Account
- 2016-007 The Sheriff Did Not Settle His 2013 Fee Account
- 2016-008 The Sheriff Has A Deficit Of \$14,011 In His 2014 Fee Account
- 2016-009 The Sheriff Overcharged For Vehicle Inspections
- 2016-010 The Sheriff Did Not Properly Transfer Funds To The Payroll Account
- 2016-011 The Sheriff Had \$1,416 In Disallowed Disbursements
- 2016-012 The Sheriff Did Not Accurately Remit Payroll Withholdings To The Proper Agencies
- 2016-013 The Sheriff Did Not Have Adequate Controls Over The Payroll Process
- 2016-014 The Sheriff Assigned Court Security Officers Paid By The Administrative Office Of The Courts To Work In His Tax And Fee Office

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2016magoffinfes-audit.pdf>

### **Magoffin County Sheriff – 2017 FES**

The audit had a disclaimed opinion because the Sheriff did not maintain adequate account records. Based on available accounting records, material financial statement misstatements were identified along with other significant deficiencies in the sheriff's records and a lack of internal controls. Finding 2017-001 detailed the Sheriff's failure to manage the financial activities of his office, including but not limited to: IRS penalties dating back to 2011, failure to pay more than \$70,000 in employee retirement withholdings to the fiscal court, and ongoing commingling of various years' accounts. Auditors could not ensure proper corrective actions had been enacted to clear any prior-year findings.

#### Reported Findings:

- 2017-001 The Magoffin County Sheriff Did Not Manage The Financial Activities Of His Office

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Magoffin/2017magoffinfes-audit.pdf>

### **Martin County Clerk – 2018 FEC**

The audit report describes multiple findings, itemized below. Among the issues which required additional auditor time was the finding of a deficit balance in the Clerk's official bank account.

#### Reported Findings:

- 2018-001 The Martin County Clerk's Office Lacked Adequate Segregation Of Duties
- 2018-002 The Martin County Clerk Has A Deficit Of \$3,974 In Her 2018 Official Bank Account

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Martin/2018martinfec-audit.pdf>

## **Martin County Clerk – 2019 FEC**

The audit report describes multiple findings, itemized below. Among the issues which required additional auditor time was follow-up on the unresolved prior-year finding of a deficit balance in the Clerk's official bank account.

### Reported Findings:

- 2019-001 The Martin County Clerk Has A Deficit Of \$3,970 In Her 2018 Official Bank Account
- 2019-002 The Martin County Clerk's Office Does Not Have Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Martin/2019martinfec-audit.pdf>

## **Martin County Sheriff – 2017 STS**

Additional auditor time was required to resolve numerous small errors discovered during the audit process. The audit report also notes a finding of lack of segregation of duties in the office.

### Reported Finding:

- 2017-001 The Sheriff's Office Lacks Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Martin/2017martinsts-audit.pdf>

## **Martin County Sheriff – 2018 FES**

The Sheriff's office shifted from fee-pooling with the fiscal court to non-fee pooling in the middle of the year. This resulted in numerous small errors that required additional auditor time. The audit report also notes a finding of lack of segregation of duties in the office.

### Reported Finding:

- 2018-001 The Sheriff's Office Lacks Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Martin/2018martinfes-audit.pdf>

## **Martin County Sheriff – 2018 STS**

Additional auditor time was required to resolve numerous small errors discovered during the audit process. The audit report also notes a finding of lack of segregation of duties in the office.

Reported Finding:

- 2018-001 The Martin County Sheriff's Office Does Not Have Adequate Segregation Of Duties

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Martin/2018martinsts-audit.pdf>

**McCracken County Sheriff – 2017 STS**

This audit required additional time due to a large amount of franchise tax bills, refunds, and the number of bank accounts utilized by the Sheriff's office. Additional follow up was also required to close-out numerous prior-year tax accounts.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/McCracken/2017mccrackensts-audit.pdf>

**Owsley County Clerk – 2015 FEC**

The audit report describes numerous findings, itemized below. Finding 2015-001 details the County Clerk's failure to fulfill her duties as an elected official. The number and extent of the issues identified with the office required additional auditor time. Multiple findings from the audit were referred to the Kentucky Office of the Attorney General.

Reported Findings:

- 2015-001 The County Clerk Is Not Fulfilling Her Duties As An Elected County Official
- 2015-002 The County Clerk Did Not Submit Quarterly Financial Reports To The Department For Local Government As Required
- 2015-003 The County Clerk Failed To Present Financial Information To The Fiscal Court As Required
- 2015-004 The County Clerk's Office Lacks Adequate Segregation Of Duties
- 2015-005 The County Clerk Has Not Settled Her 2015 Fee Account
- 2015-006 The County Clerk Did Not Prepare Bank Reconciliations And Has Numerous Un-cleared Transactions At Year End
- 2015-007 The County Clerk Did Not Pay Legal Process Taxes Timely
- 2015-008 The County Clerk Did Not Pay Affordable Housing Trust Fund Fees Timely
- 2015-009 The County Clerk Did Not Pay Deed Transfer Taxes Timely
- 2015-010 The County Clerk Did Not Distribute Delinquent Tax Payments To Taxing Districts Timely
- 2015-011 The County Clerk Did Not Prepare Franchise Tax Bills Timely
- 2015-012 The County Clerk Has Not Settled Her 2014 Fee Account

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Owsley/2015owsleyfec-audit.pdf>



## **Owsley County Clerk – 2016 FEC**

The audit report describes numerous findings, itemized below. Many of the issues noted in the findings were repeated from the previous year's audit. Finding 2016-001 details the County Clerk's failure to fulfill her duties as an elected official. The number and extent of the issues identified with the office required additional auditor time. Multiple findings from the report were referred to the Kentucky Office of the Attorney General.

### Reported Findings:

- 2016-001 The County Clerk Is Not Fulfilling Her Duties As An Elected County Official
- 2016-002 The County Clerk Did Not Submit Quarterly Financial Reports To The Department For Local Government As Required
- 2016-003 The County Clerk Failed To Present Financial Information To The Fiscal Court As Required
- 2016-004 The County Clerk's Office Lacks Adequate Segregation Of Duties
- 2016-005 The County Clerk Has Not Settled Her 2016 Fee Account
- 2016-006 The County Clerk Did Not Prepare Bank Reconciliations And Has Numerous Uncleared Transactions At Year End
  
- 2016-007 The County Clerk Did Not Pay Legal Process Taxes Timely
- 2016-008 The County Clerk Did Not Pay Affordable Housing Trust Fund Fees Timely
- 2016-009 The County Clerk Did Not Pay Deed Transfer Taxes Timely
- 2016-010 The County Clerk Did Not Distribute Delinquent Tax Payments To Taxing Districts Timely
- 2016-011 The County Clerk Did Not Prepare Franchise Tax Bills Promptly

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Owsley/2016owsleyfec-audit.pdf>

## **Owsley County Clerk – 2017 FEC**

The audit report describes numerous findings, itemized below. Many of the issues noted in the findings were repeated from the previous year's audit. Finding 2017-001 details the County Clerk's failure to fulfill her duties as an elected official. The number and extent of the issues identified with the office required additional auditor time. Multiple findings from the report were referred to the Kentucky Office of the Attorney General.

### Reported Findings:

- 2017-001 The County Clerk Is Not Fulfilling Her Duties As An Elected County Official
- 2017-002 The County Clerk Did Not Submit Quarterly Financial Reports To The Department For Local Government As Required
- 2017-003 The County Clerk Failed To Present An Annual Settlement And Pay Excess Fees To The Fiscal Court As Required
- 2017-004 The County Clerk's Office Lacks Adequate Segregation Of Duties
- 2017-005 The County Clerk Has Not Settled Her 2017 Fee Account



- 2017-006 The County Clerk Has Not Settled Her 2016 Fee Account
- 2017-007 The County Clerk Did Not Prepare Bank Reconciliations And Has Numerous Uncleared Transactions At Year End
- 2017-008 The Depository Institution Did Not Pledge Or Provide Sufficient Collateral To Protect Deposits, And The County Clerk Did Not Have A Written Agreement To Protect Deposits
- 2017-009 The County Clerk Did Not Pay Legal Process Taxes Timely
- 2017-010 The County Clerk Did Not Pay Affordable Housing Trust Fund Fees Timely
- 2017-011 The County Clerk Did Not Pay Deed Transfer Taxes Timely
- 2017-012 The County Clerk Did Not Distribute Delinquent Tax Payments To Taxing Districts Timely
- 2017-013 The County Clerk Did Not Distribute Tangible/Ad Valorem Tax Payments To Taxing Districts Timely
- 2017-014 The County Clerk Did Not Prepare Franchise Tax Bills Promptly
- 2017-015 The County Clerk Did Not Pay Annual Software Contract Payment Timely

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Owsley/2017owsleyfec-audit.pdf>

### **Owsley County Clerk – 2018 FEC**

The audit report describes numerous findings, itemized below. Many of the issues noted in the findings were repeated from the previous year’s audit, although there were fewer findings than the previous year. The number and extent of the ongoing issues identified with the office required additional auditor time.

#### Reported Findings:

- 2018-001 The Owsley County Clerk Did Not Comply With Department For Local Government (DLG) Requirements Regarding Approval And Submission Of Budget, Quarterly Financial Reports, And Annual Settlement
- 2018-002 The Owsley County Clerk Is Not Remitting Fees In Compliance With Kentucky Revised Statutes
- 2018-003 The Owsley County Clerk Did Not Deposit Funds Timely
- 2018-004 The Owsley County Clerk Did Not Prepare Bank Reconciliations And Has Numerous Transactions At Year End That Have Not Cleared The Bank
- 2018-005 The Owsley County Clerk’s Office Lacks Adequate Segregation Of Duties
- 2018-006 The Depository Institution Did Not Pledge Or Provide Sufficient Collateral To Protect Deposits And The County Clerk Did Not Have A Written Agreement To Protect Deposits

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Owsley/2018owsleyfec-audit.pdf>

### **Owsley County Clerk – 2019 FEC**

The audit report describes numerous findings, itemized below. Many of the issues noted in the findings were ongoing from previous years. The number and extent of the issues identified with the office required additional auditor time.

#### Reported Findings:

- 2019-001 The Owsley County Clerk Did Not Comply With Department For Local Government (DLG) Requirements Regarding Approval And Submission Of Annual Budget, Quarterly Financial Reports, And Annual Settlement
- 2019-002 The Owsley County Clerk Is Not Remitting Fees In Compliance With Kentucky Revised Statutes
- 2019-003 The Owsley County Clerk Did Not Deposit Funds Timely
- 2019-004 The Owsley County Clerk's Office Lacks Adequate Segregation Of Duties
- 2019-005 The Owsley County Clerk Did Not Prepare Franchise Tax Bills Promptly

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Owsley/2019owsleyfec-audit.pdf>

#### **Pike County Clerk – 2018 FEC**

Like other counties with a population over 70,000, Pike County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits. Additionally, the audit report details a deficit balance in the clerk’s account at the end of the term.

#### Reported Finding:

- 2018-001 The Clerk’s 75% Fund Had A \$24,722 Deficit Balance At Term End

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Pike/2018pikefec-audit.pdf>

#### **Pike County Clerk – 2019 FEC**

Like other counties with a population over 70,000, Pike County is subject to Section 106 of the Kentucky Constitution and various provisions of KRS Chapter 64, which require that 75% of fees collected be remitted to the state treasury, with the Finance and Administration Cabinet then managing and disbursing those funds to pay the expenses of the county. The audits of “Over 70 County” officials often tend to require additional time due to a combination of the larger size and complexity of the offices, greater amount of funds, and additional procedures required for these audits.

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Pike/2019pikefec-audit.pdf>

#### **Powell County Sheriff – 2017 FES**

The audit report describes numerous findings, itemized below. The magnitude of the findings required additional auditor time. Among the issues requiring additional time were

failure to properly settle prior-year accounts dated back to 2012, failure to file required quarterly financial reports, lack of proper internal controls, failure to timely pay invoices, failure to reconcile the bank account, writing checks with insufficient fund to cover the disbursements, and the overall lack of involvement of the elected Sheriff in the daily operations of his office. Multiple findings were referred to the Powell County Attorney.

Reported Findings:

- 2017-001 The Sheriff Was Not Involved In The Daily Financial Activities Of His Office
- 2017-002 The Sheriff's Office Lacks Adequate Segregation Of Duties
- 2017-003 The Sheriff Did Not Settle His 2017 Fee Account Or Present A Final Settlement To The Fiscal Court
- 2017-004 The Sheriff Did Not Settle His 2016 Fee Account
- 2017-005 The Sheriff Did Not Settle His 2015 Fee Account
- 2017-006 The Sheriff Did Not Settle His 2014 Fee Account
- 2017-007 The Sheriff Did Not Settle His 2013 Fee Account
- 2017-008 The Sheriff Did Not Resolve The Deficit In His 2012 Fee Account
- 2017-009 The Sheriff Did Not Submit All Quarterly Reports To The Department For Local Government As Required
- 2017-010 The Sheriff Lacks Adequate Controls Over Disbursements
- 2017-011 The Sheriff Had \$1,708 In Disallowed Disbursements
- 2017-012 The Sheriff Did Not Pay Invoices Timely
- 2017-013 The Sheriff Does Not Have Controls In Place Over Fuel Purchases
- 2017-014 The Sheriff Did Not Adequately Reconcile His Bank Account And Wrote Checks Which Had Insufficient Funds To Cover The Disbursements
- 2017-015 The Sheriff Did Not Pay Fiscal Court Fees Collected For The Service Of Subpoenas And Civil Summons To The Fiscal Court
- 2017-016 The Sheriff Lacked Adequate Controls Over Payroll
- 2017-017 The Sheriff Has Not Resolved A Possible Conflict Of Interest

Link to Audit Report: <https://auditor.ky.gov/Auditreports/Powell/2017powellfes-audit.pdf>