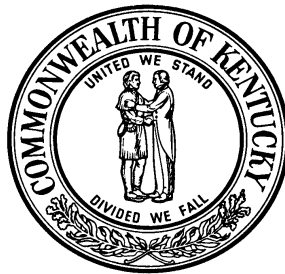


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
FORMER BRECKINRIDGE COUNTY SHERIFF**

**For The Period
January 1, 2019 Through December 31, 2019**



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SUMMARY OF PROCEDURES AND FINDINGS

**AGREED-UPON PROCEDURES OF THE
FORMER BRECKINRIDGE COUNTY SHERIFF**

For The Period January 1, 2019 Through December 31, 2019

The former Breckinridge County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (AUP) engagement for calendar year 2019 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. The summary below presents those findings for which an exception was identified during the AUP engagement.

During the AUP engagement of the former Breckinridge County Sheriff, the following exceptions were noted:

- The former sheriff collected \$452,561 of tax commissions. However, tax commissions per the fourth quarter financial statement totaled \$492,198. The difference between the amount actually collected and the amount reported is partly due to the former sheriff combining add-on fees with tax commissions on the fourth quarter financial statement in the amount of \$37,786.
- Supporting documentation did not support a fuel invoice. No other exceptions were found as a result of applying the procedure.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above, but can be found in the full report. A copy of this report is available on Auditor of Public Accounts' website at www.auditor.ky.gov.

Respectfully submitted,

Mike Harmon
Auditor of Public Accounts
July 8, 2020



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Maurice Lucas, Breckinridge County Judge/Executive
The Honorable Todd Pate, Former Breckinridge County Sheriff
The Honorable Billy Richardson, Breckinridge County Sheriff
Members of the Breckinridge County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the former Breckinridge County Sheriff, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2019 through December 31, 2019. The former Breckinridge County Sheriff is responsible for the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the sheriff has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the sheriff's fourth quarter financial statement agrees to the sheriff's receipts ledger and disbursements ledger. Variances in total receipts or total disbursements that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

3. Procedure -

Compare the sheriff's operating disbursements (fourth quarter or settlement amounts) to the budget approved by the fiscal court to see if the sheriff overspent the budget.

Finding -

No exceptions were found as a result of applying the procedure.



The Honorable Maurice Lucas, Breckinridge County Judge/Executive
 The Honorable Todd Pate, Former Breckinridge County Sheriff
 The Honorable Billy Richardson, Breckinridge County Sheriff
 Members of the Breckinridge County Fiscal Court
 (Continued)

4. Procedure -

Determine if the sheriff has a settlement of excess fees that was approved by the fiscal court.

Finding -

No exceptions were found as a result of applying the procedure.

5. Procedure -

Obtain a list of accounts prepared by the sheriff that are applicable to the current calendar year.

Finding -

No exceptions were found as a result of applying the procedure. The former sheriff maintained federal forfeiture, drug, and fee accounts.

6. Procedure -

Determine if the sheriff reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2019, to determine the reconciled ending balances and if bank reconciliations are accurate.

Finding -

No exceptions were found as a result of applying the procedure. The balances of the former sheriff's accounts are:

<u>Account Name:</u>	<u>Reconciled Account Balance:</u>
Fee Account	\$ 0
Drug Account	\$ 26,650
Federal Forfeiture Account	\$ 1,703

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Maurice Lucas, Breckinridge County Judge/Executive
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(Continued)

8. Procedure -

Determine if the sheriff completed an annual asset forfeiture report. Determine if assets forfeited to the sheriff, are properly accounted for by tracing the asset to bank deposit, receipts ledger, or asset ledger and determine if amounts due to the commonwealth attorney were remitted.

Finding -

No exceptions were found as a result of applying the procedure.

9. Procedure -

Determine if tax commissions are properly accounted for by computing the sheriff's current calendar year tax commission from prior year taxes and current year taxes using the prior year sheriff tax settlement and current year recap of tax reports. Variances that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

The former sheriff collected \$452,561 of tax commissions. However, tax commissions per the fourth quarter financial statement totaled \$492,198. The difference between the amount actually collected and the amount reported is partly due to the former sheriff combining add-on fees with tax commissions on the fourth quarter financial statement in the amount of \$37,786.

Former Sheriff's Response: The sheriff's add on was included in the commissions. This should have been separated. I will re-categorize this to correct this issue.

10. Procedure -

Judgmentally select 15 operating disbursements from the sheriff's records and agree amounts paid to invoices or other supporting documentation and cancelled check. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business. Verify that any state advancement was repaid.

Finding -

Supporting documentation did not support a fuel invoice. No other exceptions were found as a result of applying the procedure.

Former Sheriff's Response: The [name redacted] fuel invoice produces an itemized ledger stating each deputy's fuel mileage and purchases. We will try to get each deputy to turn in the original receipt but on occasions at night when the store is closed and the receipt doesn't print, they will begin to take pictures of the pump to correct this issue.

The Honorable Maurice Lucas, Breckinridge County Judge/Executive
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 (Continued)

11. Procedure -

Determine excess fees due to the fiscal court by recalculating the difference between total receipts and total disbursements. Verify amounts paid to determine if additional excess fees are due to the fiscal court.

Finding -

Excess fees due to the fiscal court were recalculated and there are no additional excess fee due to the fiscal court.

Total Receipts	\$ 1,133,545
Total Disbursements	<u>1,114,075</u>
Excess Fees Due County for 2019	19,470
Payment to Fiscal Court	<u>19,470</u>
Balance Due Fiscal Court	<u><u>\$ 0</u></u>

12. Procedure -

Verify the sheriff's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees. (Not applicable to fee pooling counties)

Finding -

No exceptions were found as a result of applying the procedure.

14. Procedure -

Determine that the sheriff was paid the statutory salary as fixed by the Department for Local Government salary schedule.

Finding -

The former sheriff was paid \$94,864. The statutorily required salary was \$94,864.

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(Continued)

15. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

No exceptions were found as a result of applying the procedure.

16. Procedure -

Verify the sheriff is properly bonded.

Finding -

No exceptions were found as a result of applying the procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities of the former Breckinridge County Sheriff. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the former Breckinridge County Sheriff and the Breckinridge County Fiscal Court, and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

July 8, 2020