



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: Michael Goins
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Harmon Releases Audit of Casey County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2019 financial statement of Casey County Sheriff Chad Weddle. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account, and the other reporting on the audit of the fee account used to operate the office.

Auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the receipts, disbursements and excess fees of the Casey County Sheriff in accordance with accounting principles generally accepted in the United States of America. The sheriff's financial statement did not follow this format. However, the sheriff's financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for all 120 sheriff audits in Kentucky.

As part of the audit process, the auditor must comment on noncompliance with laws, regulations, contracts, and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

The Casey County Sheriff's Office does not have adequate segregation of duties over receipts, disbursements, and the reconciliation process: A lack of segregation of duties exists over receipts, disbursements, and the reconciliation process. The sheriff's bookkeeper collects payments from customers, prepares deposits, writes disbursement checks, posts transactions to both the receipt and disbursement ledgers, reconciles the monthly bank statements, and prepares all monthly and quarterly reports. The sheriff has implemented some compensating controls, however they are not sufficient to offset the control weakness noted due to a lack of segregation of duties.

According to the sheriff, a lack of segregation existed because a limited number of employees were available to properly segregate job duties. The lack of oversight could result in misappropriation of assets, occurrence of undetected errors, and inaccurate financial reporting to external agencies such as the Department for Local Government (DLG). Additionally, proper segregation of duties protects employees in the course of performing their daily responsibilities. Segregation of duties over receipts, disbursements, and the reconciliation process, or the implementation of compensating controls when needed because the number of staff is limited, is essential for providing protection from asset misappropriation and inaccurate financial reporting.

We recommend that the sheriff segregate duties over receipts, disbursements, and the reconciliation process. If segregation of duties is not feasible due to lack of staff, the sheriff should continue to implement and should strengthen the documented compensating controls which have been put in place.

Sheriff's Response: This is the result of the limited number of employees that the Casey Co. Sheriff's office can employ. I have implemented compensating controls to ensure checks and balances for the sheriff's office.

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

The audit report can be found on the [auditor's website](#).

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.

