



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

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Harmon Releases Audit of Edmonson County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the December 1 – 31, 2022 financial statement of Edmonson County Sheriff James Vincent. 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 Edmonson 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 finding:

The Edmonson County Sheriff's Office does not have adequate segregation of duties over receipts and reconciliations: The Edmonson County Sheriff's Office does not have segregation of duties over the receipts and reconciliation process. Both of the bookkeepers collect receipts, prepares deposits, enters financial information into the ledgers, prepares monthly bank reconciliations, and prepares the monthly and quarterly financial reports.

According to sheriff, this lack of adequate segregation of duties is a result of a limited budget, which restricts the number of employees the Edmonson County Sheriff's Office can hire or

delegate duties to. By not segregating these duties, the sheriff is increasing the opportunity for the misappropriation of assets and inaccurate financial reporting to occur.

The segregation of duties over various accounting functions such as preparing deposits, preparing daily checkout sheets, and issuance of cash receipts, is essential for providing protection from asset misappropriation and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the Edmonson County Sheriff's Office implement adequate segregate of duties over receipts and reconciliations to prevent the same person from having a significant role in the receiving process, recording, and reporting of receipts. If this is not feasible, due to a limited budget, cross checking procedures could be implemented and documented by the individual performing the procedures.

Sheriff's Response: The Edmonson County Sheriff's Office budget only allows for 2 full time clerks, however, a part-time clerk will be hired during tax season, and will take on duties to help with segregation of receipts and reconciliations.

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

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

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