



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

Contact: **Michael Goins**  
[Michael.Goins@ky.gov](mailto:Michael.Goins@ky.gov)  
**502.564.5841**  
**502.209.2867**

**Harmon Releases Audit of Former Fulton County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2016 financial statement of former Fulton County Sheriff Robert “Bobby” Hopper. 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 Fulton 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 former Fulton County Sheriff’s Office lacked adequate segregation of duties.** This is a repeat finding and was included in the prior year audit report as Finding 2015-003. The bookkeeper was required to perform multiple tasks such as the collection of cash from customers, daily checkout procedures, deposit preparation, bookkeeping, and bank reconciliations. To offset this lack of segregation of duties, the former sheriff implemented compensating controls including dual signatures and cross-checking procedures; however, these procedures were not sufficient to reduce the risks associated with the lack of segregation of

duties. This lack of segregation of duties is caused by the diversity of operations with a limited number of staff.

A lack of segregation of duties or strong oversight increases the risk that errors or fraud could occur and not be detected. Segregation of duties, or the implementation of compensating controls, when limited by the number of staff, is essential for providing protection against the misappropriation of assets and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

To adequately protect against the misappropriation of assets and financial reporting, the former sheriff should have segregated the duties noted above by allowing different deputies to perform these functions. For those duties that could not be segregated due to a limited number of staff, strong management oversight by the former sheriff or designee could have been a cost effective alternative. This oversight should have included reviewing monthly bank reconciliations and the receipts and disbursements ledgers. Documentation, such as the former sheriff's or a designee's initials or signature, should have been provided on those items that were reviewed. We recommend the sheriff's office segregate duties or implement compensating controls to reduce risk.

*Current Sheriff's response: The Sheriff's Office has reviewed our current procedures and has added several changes to document all transaction, so that there is more of a system of check and balances within the 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.*

