



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 Henderson County Sheriff's Tax Settlement**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2015 taxes for Henderson County Sheriff Ed Brady. 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 sheriff's settlement presents fairly the taxes charged, credited and paid in accordance with accounting principles generally accepted in the United States of America. The sheriff's settlement is prepared on the regulatory basis, which is described in the auditor's opinion letter. Regulatory basis reporting for the sheriff's settlement is an acceptable reporting methodology, and this reporting methodology is followed for all 120 sheriff settlements in Kentucky.

The sheriff's financial statement fairly presents the taxes charged, credited and paid for the period, April 18, 2015 through April 15, 2016 in conformity with the regulatory basis of accounting.

As part of the audit process, the auditor must comment on non-compliance 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:

**Deposits were not batched and made daily.** Deposits for the Henderson County Sheriff's Office were not batched and deposited daily. Auditors tested deposits for the time period of January 15, 2016 through January 29, 2016. During this two week period, only two property tax and two oil tax deposits were made by the sheriff's office. During the slow collection period, deposits are only made one to two times per week.

By not batching receipts and making deposits daily, the opportunity for misappropriation or theft of receipts is increased. KRS 68.210 gives the State Local Finance Officer the authority to prescribe minimum standards for fee officials. The minimum requirements for handling public funds as stated in the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* requires the sheriff to perform daily check-out procedures and make daily deposits intact into a federally insured banking institution. By following these procedures, the sheriff limits the opportunity for misappropriation or theft of receipts. We recommend the sheriff deposit receipts daily as required by the State Local Finance Officer.

*Sheriff's response: The Henderson County Sheriff's Office has implemented daily deposits and is currently and will continue to make daily deposits.*

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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