



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 Hickman County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2016 financial statement of Hickman County Sheriff Mark Green. 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 Hickman 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 comments:

**Prior year disallowed disbursements have not been reimbursed:** The 2015 audit of the Hickman County Sheriff's fee account disclosed the sheriff owed \$940 to his drug fund due to disallowed disbursements of the drug fund in Finding 2015-001. These disbursements should have been reimbursed to the drug fund from the sheriff's personal funds. Additionally, the sheriff owed \$388 for fee account disallowed expenses that were disclosed in the prior year audit as Finding 2015-002. However, follow-up of prior year audit findings revealed that the sheriff failed to reimburse the drug fund or remit additional excess fees due to the fiscal court.

The sheriff did not reimburse the drug fund for these disallowed disbursements because the fiscal court voted to approve the disbursements as being allowable disbursements.

Neither the fiscal court nor the sheriff are in compliance with KRS 67.080(3) and KRS 64.820(1) because the fiscal court is mandated by statute to collect these amounts. The fiscal court does not have the authority to forgive the sheriff's disallowed disbursements or to determine the allowability of drug fund or fee account disbursements. Therefore, \$940 determined by the prior year audit are still due to the sheriff's drug fund from the sheriff's personal funds, as well as \$388 of the sheriff's personal funds are due to the fiscal court for additional excess fees owed.

KRS 67.080(3) states, "[t]he fiscal court shall not exercise executive authority except as specifically assigned by statute." Additionally Section 52 of the Kentucky Constitution forbids the release of liability to the Commonwealth, or to any county or municipality thereof. Since powers of the fiscal court are set by the general assembly, and the general assembly is prohibited from releasing indebtedness or liability, thusly the fiscal court would be prohibited from releasing indebtedness or liability of the sheriff.

KRS 64.820(1) specifically directs the fiscal court to "collect any amount due the county from county officials as determined by the audit of the official conducted pursuant to KRS 43.070 and 64.810 if the amount can be collected without suit." Additionally, KRS 64.820(2) requires the fiscal court to direct the county attorney to institute suit for the collection of the amount reported by the Auditor within ninety days if the amount is not paid.

KRS 43.070(1)(a) requires an audit, "[t]o determine whether any unauthorized, illegal, irregular, or unsafe handling or disbursement of revenue or other improper practice of financial administration has occurred and to assure that all proper items have been duly charged, taxed, and reported, the Auditor shall audit annually: 1. The funds contained in each county's budget; and 2. The books, accounts, and papers of all county clerks and sheriffs."

We recommend that the Hickman County Sheriff reimburse the drug fund account \$940 and remit excess fees of \$388 to the fiscal court, to be paid from his personal funds to cover the disallowed disbursements for calendar year 2015.

*Sheriff's Response: Since taking office in 2011, I have used the same forms when making buys using drug fund money that was in the drug account. Nothing was said about the forms or paperwork that I was using until the 2013 audit. When I was audited from 2013-2015 for one reason or another there were some disbursements found to be disallowed and these monies were paid back from my personal account even after I would make what I felt was valid arguments that's the paperwork and forms were correct. In the audit for 2015, there was nothing spent out of the drug account that didn't have a receipt or proper documentation to show exactly where or how the money was spent.*

*Final auditors report recommended that I reimburse \$940 to the Drug account and an additional \$388 to the fiscal court. During a 2016 fiscal court meeting I showed the magistrates, judge executive and county attorney the same paperwork and other documents that had also been provided to the auditors office in 2015. Each of the magistrates voted that they found disbursements to be allowed*

*and I was told that I would not have to pay back the amount of money according to the audit. For the past couple of years before this 2016 fiscal court meeting, I had been told numerous times from sheriffs of other Kentucky Counties along with other county officials that the fiscal court could disagree with an audit and if they do chose I would be forgiven. This was also the believe of the audit her that currently on it's my office, she thought as well that a fiscal court could forgive if they found the disbursements to have been allowable. A couple of questions I have are one should former and current ministrations not have to go back and pay back their counties as well who have been forgiven? Is an auditor's opinion that something they found to be disallowed disbursements not subject to argument? Enclosing there have been MASSIVE improvements to the 2016 sheriffs office audit. Myself, my office clerk, and a deputy have been responsible for making sure that everything was done better then in years past and this audit proves that. I ask for the supervisors in Frankfort to look at the changes and the fact that the fiscal court looked at the same documents/documentation and they all agreed that in their opinion it was allowable disbursements.*

Auditor's Reply: Disbursements from the drug forfeiture fund in 2015 were disallowed due to a lack of sufficient supporting documentation. While copies of receipts were provided to auditors during audit testing, the receipt for purchase of a firearm did not come from an outside vendor. The receipts for narcotic purchases contained date discrepancies indicating they were not completed contemporaneously with the transactions and were therefore insufficient. Because of the insufficient supporting documentation, these items were disallowed.

Determination of the allowability of disbursements of the sheriff's fee account or drug account is not a power granted to the fiscal court by the laws and regulations of the Commonwealth of Kentucky and the fiscal court shall not exercise executive authority except as specifically assigned by statute, per KRS 67.080(3).

**The Hickman County Sheriff failed to remit timely payroll payments to the county treasurer:**

In calendar year 2016, the sheriff was frequently one or two months late in disbursing paying payroll payments to the county treasurer. Also, the sheriff did not pay the employer's share of Kentucky Law Enforcement Foundation Program Fund (KLEFPF) retirement for one employee who earned KLEFPF wages.

According to staff of the sheriff's office, payroll payments were frequently late due to the lack of available funds throughout the year. Also, according to the staff of the sheriff's office, the sheriff did not pay the employer's share of KLEFPF retirement for one employee because there was confusion about who was responsible for paying the employer's share of KLEFPF retirement for the employee because the fiscal court paid the employee's regular wages. Because of this, the sheriff's office failed to meet all of its payroll obligations in a timely manner.

Sound accounting practices dictate the sheriff's office meet its financial obligations in a timely manner. Furthermore, because the sheriff was reimbursed by the state for the employer's share of KLEFPF retirement, the sheriff was responsible for paying the employer's share of KLEFPF retirement for all employees who earned KLEFPF wages. Therefore, we recommend that the sheriff remit payroll payments, including the employer's share of KLEFPF retirement, to the county treasurer on a timely basis.

*Sheriff's Response: It is impossible with the small amount of money that's brought into the sheriff's office for the payroll to be paid back to the treasurer in full usually until January of the next year. I made the decision that we will pay back the state advancement of \$30,000 and this depletes most all of our available monies until we receive our from taxes in January, then the payroll is paid to the treasurer.*

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.*

