



Auditor of Public Accounts  
Mike Harmon

**FOR IMMEDIATE RELEASE**

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### **Harmon Releases Audit of Former Hickman County Sheriff's Tax Settlement**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2018 taxes for former 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 former 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 former sheriff's settlement is prepared on the regulatory basis, which is described in the auditor's opinion letter. Regulatory basis reporting for the former sheriff's settlement is an acceptable reporting methodology, and this reporting methodology is followed for all 120 sheriff settlements in Kentucky.

The former sheriff's financial statement fairly presents the taxes charged, credited and paid for the period April 17, 2018 through December 31, 2018 in conformity with the regulatory basis of accounting.

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 Hickman County Sheriff's Office lacked adequate segregation of duties:** The former Hickman County Sheriff's Office lacked adequate segregation of duties. The sheriff was required to perform all accounting functions such as collecting cash, performing checkout procedures, preparing deposits, writing checks, posting to ledgers, bank reconciliations, and preparing financial reports. This deficiency is due to the bookkeeper and chief deputy leaving the

sheriff's office midway through the year. This left the sheriff the only employee to operate the financial duties of the office for over six months.

A lack of segregation of duties increases the risk of misappropriation of assets and inaccurate financial reporting. Segregating accounting functions 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 public funds from being misappropriated and to ensure accurate financial reporting, we recommend the sheriff's office segregate the duties noted above by allowing different deputies to perform these functions. For those duties that cannot be segregated due to a limited number staff, strong management oversight by the sheriff or designee should be performed. This oversight should include reviewing daily checkout sheets and deposits, approving all disbursements by having dual signatures, and reviewing monthly bank reconciliations.

*Former Sheriff's Response: The former sheriff did not provide a response.*

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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