



Auditor of Public Accounts
Mike Harmon

FOR IMMEDIATE RELEASE

Contact: Michael Goins
Michael.Goins@ky.gov
502.564.5841
502.209.2867

Harmon Releases Audit of Laurel County Sheriff's Office

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2017 financial statement of Laurel County Sheriff John Root. 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 Laurel 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 internal control over financial operations and reporting.

The audit contains the following comment:

The Laurel County Sheriff reported an issue pertaining to timesheets to auditors: The Laurel County Sheriff disclosed an issue discovered by his office pertaining to timesheets not being accurate. During calendar year 2017, the Laurel County Sheriff's office received reimbursement from the state via a federal grant for overtime hours pertaining to Highway Safety and SNAP (Supplemental Nutrition Assistance Program) trafficking enforcement. Deputies are required to submit activity logs for additional hours worked to the supervisor overseeing the grant reimbursement process and submit timesheets to their direct supervisor. A total of 1,979 hours of highway safety activity were claimed on employees' timesheets; however, only 1,486 hours were

documented by employees for a total variance of 493 hours. Additionally, 185 hours of SNAP trafficking enforcement hours were claimed on deputy timesheets and only 68 hours were documented for a total variance of 117 hours.

The Laurel County Sheriff informed auditors that timesheets were not agreed to activity reports for highway safety overtime and that one employee had falsely claimed hours on timesheets and could not provide supporting documentation. The sheriff indicated this was detected after an employee attended training and heard about possible payroll problems related to grants. This employee took steps to review payroll records of the sheriff's office after this training, which detected the problem. A lack of control over the overtime reimbursement process prior to the issue being detected caused the sheriff's office to pay for overtime without supporting documentation. Employee timesheets were approved and signed by a direct supervisor and sheriff; however, no supporting documentation for reimbursement of overtime was maintained with timesheets. Additionally, employees submitted overtime reimbursement forms without a timesheet to the supervisor responsible for obtaining grant reimbursement for the overtime worked.

Employees of the Laurel County Sheriff's office receive compensatory time for regular overtime worked and are only paid overtime if it qualifies as part of one the reimbursement programs. The lack of control over the overtime reimbursement process resulted in the sheriff's office paying for overtime and not being reimbursed. Once detected, the sheriff took action to address this situation and appropriately reported this weakness to the auditor. In addition, the sheriff implemented additional controls by requiring deputies when they work Highway Safety overtime to attach the Federal Overtime Request form and a copy of each citation written to their timesheet.

Good internal controls over payroll require supporting documentation for all hours worked and reconciliation of timesheets to overtime reports.

The Laurel County Sheriff's Personnel Policy states, "[c]ompensatory time is paid leave awarded to a full time employee in lieu of overtime pay as compensation of a work week of greater than 40 hours."

We recommend the Laurel County Sheriff continue to strengthen internal controls over the Highway Safety and SNAP Grant payroll reimbursement process by requiring the immediate supervisor to review overtime reimbursement worksheets when approving timesheets and the grant program supervisor to review timesheets when requesting reimbursement of overtime. We will refer this finding to the Laurel County Attorney.

Sheriff's Response: The 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](#).

###

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.

