



Auditor of Public Accounts  
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### Harmon Releases Audit of McLean County Sheriff's Fee Account

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2019 financial statement of McLean County Sheriff Ken Frizzell. 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 McLean 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 McLean County Sheriff failed to follow bid requirements:** The McLean County Sheriff failed to bid out a truck purchased from a third-party vendor in the amount of \$24,500. The McLean County Fiscal Court's administrative code requires bidding procedures for all purchases over \$20,000. The sheriff believed he was in compliance with KRS 424.260 since the threshold was raised to \$30,000. However, the sheriff was unaware the KRS states to follow the fiscal court's administrative code if the threshold was less than \$30,000. Since bidding procedures were not followed, it is possible that the county did not get the lowest rate for the truck. This also put the county at higher risk for potential fraudulent purchases.

Strong internal controls require management to monitor disbursements and purchase orders to ensure compliance with bid laws, and to keep good records of all bid transactions. KRS 424.260(1) states in part, “[e]xcept where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than thirty thousand dollars (\$30,000) without first making newspaper advertisement for bids[.]” In addition, KRS 424.260(2) states “[i]f the fiscal court requires that the sheriff or county clerk advertise for bids on expenditures of less than thirty thousand dollars (\$30,000), the fiscal court requirement shall prevail.” The McLean County Fiscal Court’s administrative code requires bids on purchases exceeding \$20,000.

We recommend the sheriff monitor all disbursements to ensure that bidding procedures are followed for all qualifying disbursements.

*Sheriff’s Response: The truck was purchased at a special price (\$24,500.00) due to overstock. We had an auditor in our office at the time the opportunity to purchase became available. They said the state had increased the bid rate to \$30,000. We felt this was a legal purchase with no bid required. This truck was purchased with money from our Narcotic Fund which has no connection or accountability to McLean Co Fiscal Court. After the truck was purchased our office became aware that the county had not followed the state in raising the dollar amount of the bid requirement. The county still has \$20,000 as a bid requirement. There would have been no way of adequately bidding the vehicle because it was a 2017 model sold new with factory warranty’s in 2019.*

**Auditor’s Reply:** While an auditor did inform the sheriff that the KRS bid requirement had changed from \$20,000 to \$30,000, the sheriff was also directed to verify the fiscal court’s bid requirement had been updated to the KRS amount to ensure they were not different.

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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