



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 Menifee County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the 2016 financial statement of Menifee County Sheriff Toby Wells. 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 Menifee 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 sheriff's office lacks adequate segregation of duties over receipts:** This is a repeat finding and was included in the prior year audit report as Finding 2015-001. The employee who collects cash receipts also prepares the daily checkout sheet and the deposit slip. The same employee also takes the deposit to the bank. According to the sheriff, this was caused by a limited budget which restricts the number of employees the sheriff can hire and delegate duties to.

There is an increased risk of fraud, error, and misstatements when duties are not adequately segregated. Good internal controls dictate that different individuals should perform these duties.

If these duties cannot be segregated, we recommend the sheriff implement compensating controls. The sheriff could review the deposit and compare it to the daily checkout sheet and receipts ledger as a compensating control. This procedure should be documented by the sheriff initialing the checkout sheet, receipts ledger, and deposit slip.

*Sheriff's Response: Due to financial burdens and the size of our office personnel we are unable to provide adequate segregation at this time.*

Auditor's Reply: As stated above, if these duties cannot be segregated, compensating controls should be implemented and documented.

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.*

