

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
NELSON COUNTY SHERIFF**

**For The Period
January 1, 2020 Through December 31, 2020**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**209 SAINT CLAIR STREET
FRANKFORT, KY 40601-1817
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

SUMMARY OF PROCEDURES AND FINDINGS

AGREED-UPON PROCEDURES OF THE
NELSON COUNTY SHERIFF

For The Period January 1, 2020 Through December 31, 2020

The Nelson County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (AUP) engagement for calendar year 2020 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. The summary below presents those findings for which an exception was identified during the AUP engagement.

During the AUP engagement of the Nelson County Sheriff, the following exceptions were noted:

- The sheriff's operating disbursements were compared to the sheriff's approved budget and the sheriff overspent his operating budget in the amount of \$176,576.
- The sheriff did not have a settlement of excess fees that was approved by the fiscal court.
- Excess fees due to the fiscal court were recalculated and there are \$5,369 additional excess fees due to the fiscal court.
- The sheriff's agreements and contract payments did agree to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not disclosed properly on the fourth quarter financial statement.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above, but can be found in the full report. A copy of this report is available on the Auditor of Public Accounts' website at www.auditor.ky.gov.

Respectfully submitted,

Auditor of Public Accounts
August 12, 2021



THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Dean Watts, Nelson County Judge/Executive
The Honorable Ramon Pineiroa, Nelson County Sheriff
Members of the Nelson County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Nelson County Sheriff, related to the sheriff's compliance with the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* regarding the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020. The Nelson County Sheriff is responsible for compliance with these requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the sheriff has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the sheriff's fourth quarter financial statement agrees to the sheriff's receipts ledger and disbursements ledger. Variances in total receipts or total disbursements that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

3. Procedure -

Compare the sheriff's operating disbursements (fourth quarter or settlement amounts) to the budget approved by the fiscal court to determine if the sheriff overspent the budget.

Finding -

The sheriff's operating disbursements were compared to the sheriff's approved budget and the sheriff overspent his operating budget in the amount of \$176,576.



The Honorable Dean Watts, Nelson County Judge/Executive
 The Honorable Ramon Pineiroa, Nelson County Sheriff
 Members of the Nelson County Fiscal Court
 (Continued)

3. (Continued)

Sheriff's Response: We attempted to amend the budget in January 2021. It was denied by Fiscal Court and DLG because it was a new budget year.

4. Procedure -

Determine if the sheriff has a settlement of excess fees that was approved by the fiscal court.

Finding -

The sheriff did not have a settlement of excess fees that was approved by the fiscal court.

Sheriff's Response: All past years were approved. However, illness caused the oversight of the approved settlement by the bookkeeper for the 2020 year.

5. Procedure -

Obtain a list of accounts prepared by the sheriff that are applicable to the current calendar year.

Finding -

No exceptions were found as a result of applying the procedure. The sheriff maintains fee, evidence, and forfeiture and seizure accounts.

6. Procedure -

Determine if the sheriff reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2020, to determine the reconciled ending balances and if bank reconciliations are accurate.

Finding -

No exceptions were found as a result of applying the procedure. The balances of the sheriff's accounts are:

Account Name:	Reconciled Account Balance:
Fee Account	\$ 5,369
Evidence Account	\$ 10,784
Forfeiture and Seizure	\$ 10,651

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Dean Watts, Nelson County Judge/Executive
 The Honorable Ramon Pineiroa, Nelson County Sheriff
 Members of the Nelson County Fiscal Court
 (Continued)

8. Procedure -

Determine if the sheriff completed an annual asset forfeiture report. Determine if assets forfeited to the sheriff are properly accounted for by tracing the asset to bank deposit, receipts ledger, or asset ledger and determine if amounts due to the commonwealth attorney were remitted.

Finding -

No exceptions were found as a result of applying the procedure.

9. Procedure -

Determine if tax commissions are properly accounted for by computing the sheriff's current calendar year tax commission from prior year taxes and current year taxes using the prior year sheriff tax settlement and current year recap of tax reports. Variances that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

10. Procedure -

Judgmentally select 15 operating disbursements from the sheriff's records and agree amounts paid to invoices or other supporting documentation and cancelled check. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business. Verify that any state advancement was repaid.

Finding -

No exceptions were found as a result of applying the procedure.

11. Procedure -

Determine excess fees due to the fiscal court by recalculating the difference between total receipts and total disbursements. Verify amounts paid to determine if additional excess fees are due to the fiscal court.

Finding -

Excess fees due to the fiscal court were recalculated and there are \$5,369 additional excess fees due to the fiscal court.

Total Receipts	\$ 2,243,945
Total Disbursements	<u>2,128,576</u>
Excess Fees Due County for 2020	115,369
Payment to Fiscal Court	<u>110,000</u>
Balance Due Fiscal Court	<u><u>\$ 5,369</u></u>

Sheriff's Response: Check #1199 in the amount of \$5,369.11 was written August 12, 2021 to close the 2020 year.

The Honorable Dean Watts, Nelson County Judge/Executive
The Honorable Ramon Pineiroa, Nelson County Sheriff
Members of the Nelson County Fiscal Court
(Continued)

12. Procedure -

Verify the sheriff's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees. (Not applicable to fee pooling counties)

Finding -

No exceptions were found as a result of applying the procedure.

14. Procedure -

Determine that the sheriff was paid the statutory salary as fixed by the Department for Local Government salary schedule.

Finding -

The sheriff was paid \$101,344. The statutorily required salary was \$101,344.

15. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

The sheriff's agreements and contract payments did agree to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not disclosed properly on the fourth quarter financial statement.

16. Procedure -

Verify the sheriff is properly bonded for the period covered by the agreed upon procedures.

Finding -

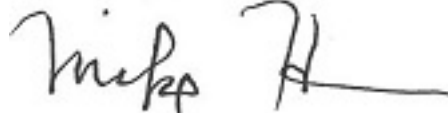
No exceptions were found as a result of applying the procedure.

The Honorable Dean Watts, Nelson County Judge/Executive
The Honorable Ramon Pineiroa, Nelson County Sheriff
Members of the Nelson County Fiscal Court
(Continued)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to present the procedures performed and the results of those procedures and is not suitable for any other purpose. This report is intended solely for the information and use of the Nelson County Sheriff and the Nelson County Fiscal Court, and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

August 12, 2021