



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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the 2020 financial statement of Todd County Sheriff Tracy White. 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 Todd 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.

Finding 1 of the audit report will be referred to the U.S. Department of Justice's Office of Community Oriented Policing Services.

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 comments:

The Todd County Sheriff failed to follow up on the prior year finding regarding the COPS grant reimbursements: This is a repeat finding and was included in the prior year audit report as Finding 2019-001. The Todd County Sheriff failed to follow up on the prior year finding. The sheriff received \$108,467 from a COPS (Community Oriented Policing Services) reimbursement grant throughout the period of 2016 through 2018 for a school resource officer. The sheriff

received \$25,637 in 2016, \$45,257 in 2017, and \$37,573 in 2018. Per the grant agreement, the COPS grant pays for 75% of the school resource officer's salary and fringe benefits. The total of the deputy's salary and fringe benefits for the three years totaled \$117,358. 75% of this amount would be \$88,019. This means the sheriff received \$20,448 too much from COPS reimbursement during this three year period.

The sheriff did not have the proper controls in place to ensure they were in compliance with the grant terms. The sheriff stated they had received guidance from the county treasurer with this reimbursement process due to the fact that she helps with the payroll processes. The mistakes in these calculations include requesting 100% reimbursement instead of 75% for some periods in 2016 and 2017 and for the full year of 2018, incorrectly adding health insurance in one period in 2017 meaning it was collected twice, and not fully deducting KLEFPF payments from the amounts requested for reimbursement in 2016 and 2017.

By not calculating the correct amount of COPS reimbursement, the sheriff is not in compliance with the COPS grant agreement. This could cause the sheriff to have to pay back some of the funds to the grantor.

The grant agreement stated that the 2015 CHP provides up to 75% of the allowable costs of this grant project (up to a maximum federal share of \$125,000 per officer position). Grantees are responsible for providing at least 25% of the total project costs in local matching funds. The local match must be a cash match made from local, state, or other non-COPS office funds. Federal funds (other than COPS office funds) may be used to meet your local match only if the federal funds are authorized by statute for that purpose and approved in writing by both the federal agency providing those funds and the COPS office. Good internal controls also require that the sheriff ensure that the correct amount of grant reimbursement is calculated, and supporting documentation existed.

We recommend that the sheriff contact the COPS grant specialist and determine if any actions need to be performed to correct these errors. We also recommend that the sheriff ensure that any future payments are calculated correctly. This item will be referred to the U.S. Department of Justice's Office of Community Oriented Policing Services.

County Sheriff's Response: As auditor [name redacted] has already been advised several times, we have attempted to make contact with the COPS program about this issue. The only response that has been given is that the grant has been closed. We were told the excess of \$5000.00 had not been used in this grant. Upon this year's audit the COPS administration was again contacted by auditor [name redacted] and via email we were advised there was a personnel change. The contact person that we previously corresponded with was either no longer there or changed positions. I also asked the Todd County Attorney [name redacted] for guidance on this issue. He also was copied in emails. As of this time we have again not received any correspondence from the COPS Program about any owed funds.

The Todd County Sheriff's Office did not have adequate controls over disbursements: An employee was paid \$4,484 in reimbursements for various equipment purchases. The employee provided several self-made statements which described the items purchased and included the purchase prices of the items. However, no supporting receipts or invoices were attached to

document where the items were purchased or to prove that the employee did in fact pay for the equipment. Furthermore, the documentation did not provide evidence that the purchases were authorized by the sheriff.

According to the bookkeeper, the sheriff's office was not aware that the documentation provided was not adequate. By not ensuring adequate internal controls are in place, the sheriff cannot guarantee that taxpayer monies are being used in the most efficient and effective ways possible. Furthermore, because the sheriff does not require proper supporting documentation for reimbursements, such as original receipts or invoices, there is an increased risk that reimbursements are being made for unauthorized purchases.

Strong internal controls dictate that supporting documentation such as original receipts or invoices be maintained for all expenditures, including reimbursements. Additionally, strong internal controls dictate that invoices and other supporting documentation be inspected and approved by the sheriff or designee to ensure that disbursements are valid, properly authorized, and correct in amount.

We recommend the Todd County Sheriff require sufficient supporting documentation for all expenditures, including reimbursements to employees for purchases made. We further recommend the sheriff inspect all invoices and document his approval of the disbursements to ensure that all disbursements are properly authorized, valid obligations of the office.

County Sheriff's Response: Since the TCSO does not have a credit card or accounts with [vendor name redacted], Deputy [name redacted] sometimes orders equipment on his personal account and the TCSO reimburses him for the equipment. This equipment is used for the entire department. Deputy [name redacted] provides a personal invoice to be reimbursed. It is now my understanding that he needs to provide the original invoice from which ever entity he orders from. All personnel has been instructed to do so with this process.

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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