

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

**For The Period
January 1, 2019 Through December 31, 2019**



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SUMMARY OF PROCEDURES AND FINDINGS

**AGREED-UPON PROCEDURES OF THE
FULTON COUNTY SHERIFF**

For The Period January 1, 2019 Through December 31, 2019

The Fulton 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 2019 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 Fulton County Sheriff, the following exceptions were noted:

- The sheriff's fourth quarter financial statement did not agree to the sheriff's receipts and disbursements ledgers. Disbursements varied by \$21,294. The sheriff did not total the receipts or disbursements ledgers at end of year.
- The sheriff collected \$110,516 of tax commissions. However, tax commissions per the fourth quarter financial statement totaled \$120,531. The difference between the amount actually collected and the amount reported is due to the sheriff combining add-on fees with tax commissions on the fourth quarter financial statement.
- While the sheriff's settlement shows a balance due to fiscal court, this is due to the sheriff not posting the repayment of the sheriff's state advancement in the amount of \$65,000. No additional excess fees are due to the fiscal court.
- The sheriff does not have any lease agreements or service contracts. However, 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 Auditor of Public Accounts' website at www.auditor.ky.gov.

Respectfully submitted,

Mike Harmon
Auditor of Public Accounts
September 23, 2020



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Jim Martin, Fulton County Judge/Executive
The Honorable Derek Goodson, Fulton County Sheriff
Members of the Fulton County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Fulton County Sheriff, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2019 through December 31, 2019. The Fulton County Sheriff is responsible for the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities. 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 -

The sheriff's fourth quarter financial statement did not agree to the sheriff's receipts and disbursements ledgers. Disbursements varied by \$21,294. The sheriff did not total the receipts or disbursements ledgers at end of year.

Sheriff's Response: As of the end of the fourth quarter, payroll liabilities was reported but a check had not been given to the fiscal court.



The Honorable Jim Martin, Fulton County Judge/Executive
 The Honorable Derek Goodson, Fulton County Sheriff
 Members of the Fulton County Fiscal Court
 (Continued)

3. Procedure -

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

Finding -

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

4. Procedure -

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

Finding -

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

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, drug, evidence, electronic transfer, and escrow accounts.

6. Procedure -

Determine if the sheriff reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2019, 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 December 31, 2019 bank reconciliations were accurate. The balances of the sheriff's accounts are:

Account Name:	Reconciled Account Balance:
Fee Account	\$ 0
Drug Account	\$ 6,366
Evidence Account	\$ 14,108
Electronic Transfer Account	\$ 1,183
Escrow Account	\$ 453

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(Continued)

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.

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 -

The sheriff collected \$110,516 of tax commissions. However, tax commissions per the fourth quarter financial statement totaled \$120,531. The difference between the amount actually collected and the amount reported is due to the sheriff combining add-on fees with tax commissions on the fourth quarter financial statement.

Sheriff's Response: In the past we have not seperated the add on fee from the regular commission. In the future a seperate line item will be created.

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.

The Honorable Jim Martin, Fulton County Judge/Executive
 The Honorable Derek Goodson, Fulton County Sheriff
 Members of the Fulton County Fiscal Court
 (Continued)

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 -

While the sheriff's settlement shows a balance due to fiscal court, this is due to the sheriff not posting the repayment of the sheriff's state advancement in the amount of \$65,000. No additional excess fees are due to the fiscal court.

Total Receipts	\$ 364,564
Total Disbursements	<u>283,824</u>
Excess Fees Due County for 2019	80,740
Payments to Fiscal Court	<u>15,740</u>
Balance Due Fiscal Court	<u><u>\$ 65,000</u></u>

Sheriff's Response: Our 2019 Fee Account was short \$649.37 for the repayment of the advancement. The Sheriff's office requested that amount from fiscal court. We received that money the end of May. A check for \$65,000.00 was sent to the State, therefore leaving us a balance of zero. An end of the year amendment was never done after the check was sent.

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 \$77,999. The statutorily required salary was \$77,999.

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The Honorable Derek Goodson, Fulton County Sheriff
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(Continued)

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 -

Finding: The sheriff does not have any lease agreements or service contracts. However, liabilities requiring disclosure were not disclosed properly on the fourth quarter financial statement.

Sheriff's Response: The liability was a single vehicle payment that was reported in disbursements but not reported on the separate outstanding liability form. In the future this payment will be reported on the proper form.

16. Procedure -

Verify the sheriff is properly bonded.

Finding -

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 the receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities of the Fulton County Sheriff. 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.

This report is intended solely for the information and use of the Fulton County Sheriff and the Fulton County Fiscal Court, and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

September 23, 2020