

**REPORT OF THE AUDIT OF THE
GREEN COUNTY
SHERIFF**

**For The Year Ended
December 31, 2024**



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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

The Honorable John H. Frank, Green County Judge/Executive
The Honorable Robby Beard, Green County Sheriff
Members of the Green County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Sheriff of Green County, Kentucky, for the year ended December 31, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement presents fairly, in all material respects, the receipts, disbursements, and excess fees of the Green County Sheriff for the year ended December 31, 2024, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Green County Sheriff, as of December 31, 2024, or changes in financial position or cash flows thereof for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States, and the *Audit Program for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Green County Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



The Honorable John H. Frank, Green County Judge/Executive
The Honorable Robby Beard, Green County Sheriff
Members of the Green County Fiscal Court

Basis for Opinion (Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Green County Sheriff on the basis of the accounting practices prescribed or permitted by the laws of Kentucky, to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Green County Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Green County Sheriff's internal control. Accordingly, no such opinion is expressed.

The Honorable John H. Frank, Green County Judge/Executive
The Honorable Robby Beard, Green County Sheriff
Members of the Green County Fiscal Court

Auditor's Responsibilities for the Audit of the Financial Statement (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Green County Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2025, on our consideration of the Green County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Green County Sheriff's internal control over financial reporting and compliance.

Based on the results of our audit, we have presented the accompanying Schedule of Findings and Responses, included herein, which discusses the following report findings:

- | | |
|----------|--|
| 2024-001 | The Green County Sheriff's Office Lacks Adequate Segregation Of Duties Over Accounting Functions |
| 2024-002 | The Green County Sheriff Did Not Have Proper Internal Controls In Place Over The Receipt Process And Did Not Make Daily Deposits As Required |
| 2024-003 | The Green County Sheriff's Controls Over Payroll Did Not Operate Effectively |

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, KY

August 28, 2025

GREEN COUNTY
ROBBY BEARD, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2024

Receipts

State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)	\$	21,561
State Fees For Services:		
Finance and Administration Cabinet	\$	95,055
Sheriff Security Service		3,110
Traffic Safety Fee		197
		98,362
Fiscal Court		118,767
County Clerk - Delinquent Taxes		12,866
Commission On Taxes Collected		202,349
Fees Collected For Services:		
Auto Inspections		1,065
Accident and Police Reports		28
Serving Papers		855
Summons		16,070
Green County Ordinance		3,150
CCDW		2,860
Efile Copies		426
		24,454
Other:		
Add-On Fees		15,670
Miscellaneous		4,057
SRO Reimbursement From BOE		50,874
MIW Warrants		7,859
		78,460
Interest Earned		104
Borrowed Money:		
State Advancement		35,000
		35,000
Total Receipts		591,923

The accompanying notes are an integral part of this financial statement.

GREEN COUNTY
 ROBBY BEARD, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
 For The Year Ended December 31, 2024
 (Continued)

Disbursements

Operating Disbursements:

Personnel Services-

Deputies' Salaries	\$ 161,742
Clerk's Gross Salary	27,588
KLEFPF Gross Salaries	17,372
Court Security Salaries	103,620
Transport Officers	2,190

Employee Benefits-

Employer's Share Social Security	32,178
KLEFPF Retirement	3,835
SRO1 Health Ins	9,051

Materials and Supplies-

Office Materials and Supplies	8,635
Uniforms	3,177
Fiscal Court Ordinance	3,010

Auto Expense-

Maintenance and Repairs	875
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Other Charges-

Postage	5,382
Vehicle Expense	8,300
Miscellaneous	192
Bond	1,571
Prisoner Transport (Including MIW)	1,540

\$ 390,258

Debt Service:

State Advancement	35,000
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Total Disbursements \$ 425,258

Net Receipts 166,665

Less: Statutory Maximum 108,103

Excess Fees Due County for 2024 58,562

Payments to Fiscal Court - March 14, 2025	51,400	
	<u>9,784</u>	<u>61,184</u>

Balance Due Fiscal Court at Completion of Audit* \$ (2,622)

* - The fiscal court presented a check to the sheriff for overpayment of excess fees on August 7, 2025.

The accompanying notes are an integral part of this financial statement.

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2024

Note 1. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statement has been prepared on a regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Authority for the regulatory basis is found in Kentucky Revised Statutes (KRS).

The Department for Local Government (DLG) is the regulatory agency responsible for establishing minimum accounting requirements for local government entities. The commissioner of the DLG is designated as the state local finance officer. (KRS 68.001). The DLG must prescribe and maintain “a uniform system of accounting and reporting on the receipt, use and handling of all public funds, other than taxes, due and payable to the state” from local government entities. (KRS 46.010(1)). The state local finance officer supervises the administration of the county uniform budget system and accounts and financial operations and must prescribe a “uniform system of accounts for all counties and county officials.” (KRS 68.210). Under this authority, the DLG requires local governments to follow guidelines set forth in its *County Budget Preparation and State Local Finance Officer Policy Manual* (Manual) to meet the minimum required reporting for financial statement purposes.

The regulatory basis is outlined in the Manual and defines the measurement, presentation, disclosure, and recognition requirements for financial transactions when preparing regulatory basis financial statements. The Manual includes the standardized format for quarterly reporting to DLG.

Under this regulatory basis of accounting, receipts and disbursements are generally recognized when cash is received or disbursed, with the exception of accrual of the following items (not all-inclusive) as of December 31 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2024 services
- Reimbursements for 2024 activities
- Payments due to other governmental entities for December tax and fee collections and payroll
- Payments due to vendors for goods or services provided in 2024

B. Measurement Focus and Excess Fees

The measurement focus of a fee official’s financial statement is upon current financial resources. A sheriff must remit to the fiscal court any income of his or her office, including the income from investments, that exceeds the sum of his or her maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants, when making his or her annual settlement. (KRS 134.192(12)). This settlement is due to the fiscal court by March 15 of each year. (KRS 134.192(11)). An outgoing sheriff shall make a final settlement with the fiscal court by March 15 immediately following the expiration of his or her term of office. (KRS 64.830). The fiscal court shall collect any amount due from the sheriff as determined by the audit. (KRS 64.820).

C. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

GREEN COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2024
 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Cash and Investments

KRS 66.480 authorizes the sheriff's office to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System and Other Post-Employment Benefits

The sheriff's office has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which has been governed by the CERS nine-member board of trustees since April 1, 2021. The Kentucky Public Pensions Authority (KPPA) was created by KRS 61.505, effective April 1, 2021, to provide staffing and daily administrative needs for CERS and Kentucky Retirement Systems. CERS is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions, vesting requirements, and provisions are established by statute and are determined by participation date and hazardous or non-hazardous participation.

The sheriff's contribution for calendar year 2022 was \$2,685, calendar year 2023 was \$2,579, and calendar year 2024 was \$3,835. The county's contribution rate for nonhazardous employees for calendar year 2024 was 23.34% for the first six months and 19.71% for the last six months.

Other Post-Employment Benefits (OPEB)

CERS provides post-retirement health care, cost of living adjustments for all recipients of retirement benefits, and a retired member's death benefit, all determined by participation date and hazardous or non-hazardous participation.

Specific details about retiree pension and OPEB benefits can be found online at: <https://www.kyret.ky.gov/Publications>.

Kentucky Public Pension Authority's Annual Financial Report and Proportionate Share Audit Report

KPPA issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. Many of these annual reports are available online at <https://kyret.ky.gov>. Reports may also be obtained by writing the KPPA, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KPPA also issues proportionate share audit reports for both total pension liability and other post-employment benefits for CERS determined by actuarial valuation, as well as each participating county's proportionate share. Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer Allocations and OPEB Amounts by Employer reports and the related actuarial tables are available online at <https://kyret.ky.gov>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2024
(Continued)

Note 3. Deposits

The Green County Sheriff maintained deposits of public funds with federally insured banking institutions as required by the Manual. The Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the sheriff's deposits may not be returned. The Green County Sheriff does not have a deposit policy for custodial credit risk, but rather follows the requirements of the Manual. As of December 31, 2024, all deposits were covered by a properly executed collateral security agreement.

Note 4. Short-term Debt

The Green Sheriff's Office was committed to the following short-term debt as of December 31, 2024.

	Beginning Balance	Additions	Reductions	Ending Balance
State Advancement	\$	\$ 35,000	\$ 35,000	\$
Total Short-term Debt	\$ 0	\$ 0	\$ 0	\$ 0

Note 5. Drug Enforcement Account

The Green County Sheriff's Office maintains a drug enforcement account. This account is funded by proceeds from the confiscation, surrender, or sale of real and personal property involved in drug related convictions. Drug enforcement funds are to be used for law enforcement expenses of the office and are kept separate from the sheriff's fee account. As of January 1, 2024, the balance of the account was \$8,964. The account earned interest in the amount of \$14 and had no expenditures. The balance was \$8,978 as of December 31, 2024.

Note 6. Donation Account

The Green County Sheriff's Office maintains a donation account. This account is funded by moneys from donations from the public. As of January 1, 2024, the balance of the account was \$761. Receipts of \$600 were deposited and expenditures totaled \$1,300. The balance was \$61 as of December 31, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

The Honorable John H. Frank, Green County Judge/Executive
The Honorable Robby Beard, Green County Sheriff
Members of the Green County Fiscal Court

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Program for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky, the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Green County Sheriff for the year ended December 31, 2024, and the related notes to the financial statement and have issued our report thereon dated August 28, 2025. The Green County Sheriff's financial statement is prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Green County Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Green County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Green County Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2024-001, 2024-002, and 2024-003 to be material weaknesses.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Green County Sheriff's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2024-002.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, KY

August 28, 2025

SCHEDULE OF FINDINGS AND RESPONSES

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GREEN COUNTY
ROBBY BEARD, SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES

For The Year Ended December 31, 2024

2024-001 The Green County Sheriff's Office Lacks Segregation Of Duties Over Accounting Functions

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The sheriff's bookkeeper collects receipts, prepare deposits, prepares daily checkout sheets, prepares and signs checks, and prepares payroll. In addition, she posts to the receipts and disbursements ledgers, prepares quarterly reports and monthly reports, and reconciles the monthly bank statements. The sheriff has implemented some compensating controls, such as reviewing and initialing the daily checkout sheets and monthly bank reconciliations. However, no reviews of the quarterly reports, receipts ledger, and disbursements ledger were documented by the sheriff. In addition, reviews of invoices and leave balance reports of full-time employees are not regularly documented by the sheriff.

The lack of segregation of duties occurred because the sheriff failed to segregate incompatible duties. The sheriff stated he cannot hire additional employees to allow segregation of duties due to budget limitations. A lack of oversight could result in undetected misappropriation of assets or inaccurate financial reporting to external agencies such as the Department for Local Government. Several reclassifications were made to the financial statement and immaterial adjustments for receipts and an expenditure was not posted.

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." The segregation of duties involving the collection and reporting of receipts, the preparation and recording of disbursements, and bank reconciliations is a basic internal control necessary to ensure the accuracy and reliability of financial reports.

We recommend the sheriff separate the duties involved in receiving cash, preparing deposits, writing disbursement checks, posting to ledgers, and preparing monthly bank reconciliations. If segregation of duties is not feasible due to the lack of staff, then compensating controls should be implemented. This includes an employee not currently performing any of those functions providing oversight in those areas. Any oversight should be documented.

Sheriff's Response: The sheriff did not provide a response.

2024-002 The Green County Sheriff Did Not Have Proper Internal Controls In Place Over The Receipt Process And Did Not Make Daily Deposits As Required

The Green County Sheriff's Office does not have proper internal controls in place over the receipt process which includes preparing manual receipts and making daily deposits. The sheriff's office manually prepares receipt forms for monies collected. The receipt forms do not indicate if the form of payment is check or cash. In addition, the Green County Sheriff did not make daily deposits as required by the Department for Local Government (DLG) and receipts were not properly batched at the end of each day. One deposit totaling \$21,027 included checks dated from September 3, 20024 through September 23, 2024. For the month of September 2024, the bookkeeper only made four deposits.

According to the sheriff, he did not require that the form of payment be included on the receipt form. He stated that deposits are made as needed, and not always on a daily basis. Additionally, the bookkeeper was on vacation for the week tested.

GREEN COUNTY
 ROBBY BEARD, SHERIFF
 SCHEDULE OF FINDINGS AND RESPONSES
 For The Year Ended December 31, 2024
 (Continued)

2024-002 The Green County Sheriff Did Not Have Proper Internal Controls In Place Over The Receipt Process And Did Not Make Daily Deposits As Required (Continued)

If receipts are not accounted for properly, it increases the risk of fraud or accounting errors. Without the form of payment being included on the receipt forms, the cash/checks per the manual receipts cannot be compared and reconciled to the cash/checks per the deposit ticket.

KRS 68.210 gives the State Local Finance Officer the authority to prescribe a uniform system of accounts. DLG's *County Budget Preparation and State Local Officer Policy Manual's* Minimum Requirements Pursuant To KRS 68.210 For All Local Government Officials (And Employees) requires "Daily deposits intact into a federally insured banking institution."

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." Reconciling cash and checks collected per receipts to the deposit ticket is a basic internal control necessary to ensure the accuracy and reliability of financial reports. This ensures all amounts received are deposited and properly recorded.

We recommend the sheriff require all receipt forms to include the form of payment and reconcile each day's cash and checks per the manual receipts to the deposit ticket. In addition, we recommend the sheriff implement internal controls and provide appropriate oversight over the receipt process to ensure daily deposits are being made as required by DLG.

Sheriff's Response: The sheriff did not provide a response.

2024-003 The Green County Sheriff's Controls Over Payroll Did Not Operate Effectively

The Green County Sheriff's controls over payroll did not operate effectively. The following exceptions were noted during payroll testing:

- Leave balance reports maintained by the sheriff do not document employees' accrued sick leave balances.
- Leave balance reports are maintained in an Excel spreadsheet and there is no evidence that the sheriff reviews these reports when he reviews and initials timesheets.
- Leave hours on an employee's timesheet was not reflected on the leave report maintained by the sheriff.
- The sheriff did not document his review of timesheets.
- The sheriff did not have an accurate yearly individual earning record for each employee.
- The sheriff reported net wages and withholdings separately instead of reporting as gross wages on financial statement.

According to the sheriff, this is a small office, and employees take time off as needed. The lack of review of timesheets and inaccurate yearly totals for employees were an oversight. By not ensuring that timekeeping records and leave balance reports are properly maintained, employees can be over or under compensated. The sheriff assumes the risk of employees disputing the number of hours worked and the amount of paid leave time they have available. In addition, by not having accurate yearly individual earning records for employees, this could result in inaccurate reporting to outside agencies and preparation of the W-2 forms. When payroll withholdings are not properly reported with salaries, the wages on the quarterly financial statement are underreported.

GREEN COUNTY
ROBBY BEARD, SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2024
(Continued)

2024-003 The Green County Sheriff's Controls Over Payroll Did Not Operate Effectively (Continued)

KRS 46.010(2) requires, "each county treasurer, and each county officer who receives or disburses state funds, to keep an accurate account of receipts and disbursements, showing a daily balance of receipts and disbursements." KRS 46.010(3) requires, "all county officers handling state funds, other than taxes, to make an annual report to the Department for Local Government showing receipts and disbursements, and to make other financial statements as the Department for Local Government requires." Review of payroll documentation is a necessary internal control to ensure the accuracy and reliability of payroll records.

We recommend the sheriff strengthen internal controls over the payroll process to ensure payroll amounts are calculated and accounted for properly by documenting his review. We recommend the sheriff track and maintain accurate leave balance reports for all employees. Furthermore, we recommend the sheriff maintain an accurate yearly individual earning total for employees and report gross wages on the financial report.

Sheriff's Response: The sheriff did not provide a response.