



**Auditor of  
Public Accounts  
Allison Ball**

## **Agreed-Upon Procedures Engagement Russell County Sheriff's Office**

**FRANKFORT, Ky.** – State Auditor Allison Ball today released the 2024 agreed-upon procedures engagement of Russell County Sheriff Derek Polston. 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.

In 2018 the Kentucky General Assembly, following a recommendation by the State Auditor, passed legislation that allows county sheriffs and clerks that met certain criteria to apply for an Agreed-Upon Procedures (AUP) engagement in lieu of an audit of their fee account. The intent of the change, which became effective in July 2018, was to reduce audit costs for sheriffs and clerks that have a history of clean audits, while still maintaining an appropriate level of accountability.

The Russell County Sheriff applied for and received approval from the Auditor of Public Accounts (APA) to obtain an AUP engagement for calendar year 2024 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. Auditors performed the procedures, which were agreed to by the Russell County Sheriff, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2024 through December 31, 2024.

**Finding: When comparing the sheriff's fourth quarter financial statement to the sheriff's receipts ledger and disbursements ledger, a variance of \$760,504 was noted for disbursements.**

### **County Officials Response**

*Sheriff's Response: We acknowledge the finding regarding the variance of \$760,504 in disbursements when comparing the sheriff's fourth quarter financial statement to the receipts and disbursements ledgers. Upon review, it was determined that this variance was the result of a clerical error in the fourth quarter excel spreadsheet. Specifically, the spreadsheet did not correctly pull down the formulas to the final row, which caused the bottom-line total for disbursements to be understated. We have since corrected the spreadsheet to ensure all totals reflect the complete and accurate data from the disbursement's ledger. Moving forward, we will implement an additional review process prior to finalizing quarterly financial statements to verify that all spreadsheet formulas are properly applied, and totals are accurate.*

**Finding: Based on the total receipts and disbursements from the sheriff's fourth quarter report, excess fees due to the fiscal court were recalculated and there are \$760,504 excess fees due to the fiscal court.**

## County Officials Response

*Sheriff's Response: We acknowledge the audit finding indicating \$760,504 in excess fees due to the fiscal court based on the totals reported in the sheriff's fourth quarter financial statement. Upon investigation, we determined that this was the result of a clerical error in the excel spreadsheet used for the fourth quarter report. Specifically, the spreadsheet did not correctly pull down all disbursement totals to the bottom line, resulting in an inaccurate calculation of excess fees. This error has since been corrected, and the recalculated figures accurately reflect total receipts and disbursements. All required excess fees have been properly paid to the fiscal court, and the bank account used for the 2024 fee account currently reflects a \$0.00 balance, confirming that there are no outstanding amounts due. We regret the oversight and have implemented additional review procedures to prevent similar errors in future reports.*

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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