

# Harmon releases audit of Estill Fiscal Court

State Auditor Mike Harmon has released the single audit of the Estill County Fiscal Court for the fiscal year ended June 30, 2016. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor's letter to communicate whether the financial statement presents fairly the receipts, disbursements and changes in fund balances of the Estill County Fiscal Court in accordance with accounting principles generally accepted in the United States of America.

The fiscal court's financial statement did not follow this format. However, the fiscal court'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 115 of 120 fiscal court audits in Kentucky.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The audi-

tor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comments:

The fiscal court did not follow proper procedures for disbursements. Procedures regarding the documentation, preparation, and authorization of disbursements were not adequate for items tested and resulted in the following findings:

- Ten invoices totaling \$677,110 were not paid timely within 30 days; including an invoice for \$409,000 that was not paid within 90 days.

- Two trucks, purchased for \$39,800, with two checks to the same vendor on the same day were not bid.

- Eighteen checks were not signed by the treasurer, but by another individual that had been given signature authority at the bank, during an extended absence of the treasurer and after her return.

- Six checks totaling \$81,400 were not approved

by the fiscal court.

- One invoice for \$12,500 was not supported by a purchase order approved by the fiscal court.

We recommend the fiscal court implement proper accounting procedures and internal controls over disbursements. The fiscal court should maintain purchase orders, original invoices and supporting documentation, and ensure that all disbursements are approved by the fiscal court and that all checks are signed by the county treasurer.

We also recommend the fiscal court ensure that all invoices are paid within 30 days as required by KRS 65.140. All department heads should be instructed to date stamp invoices when received to help ensure that payment is made timely.

We further recommend the fiscal court follow the requirements of KRS 424.260 and properly advertise and award bids for all purchases over \$20,000 or purchase items from state contract vendors. Every purchase should

have adequate supporting documentation, which includes bid documentation.

County Judge/Executive's Response: That was 2 different purchases that the court agreed to.

County Treasurer's Response: After reviewing my timecards, I have found that I was absent on the dates of the checks.

Auditor's Reply: No corrective action plan was provided.

The fiscal court did not report encumbrances on the fourth quarter financial report as required by the Department for Local Government (DLG). Not reporting encumbrances will reflect inaccurate cash balances and fail to alert management to any possible cash flow issues. We recommend the fiscal court maintain a listing of the outstanding purchase orders that support the encumbrance total and report encumbrances on the fourth quarter financial report.

County Judge/Executive's Response: Working on im-

proving.

County Treasurer's Response: This finding has been repeated in prior audit. Fiscal court does have a manual purchase order system in place, head of departments must call in to receive number for each purchase. Fiscal court finances are maintained via [vendor] software which has purchase order with tracking system, however purchase orders are issued manually at this time.

Auditor's Reply: No corrective action plan was provided.

The jail did not maintain adequate accounting controls over the jail commissary fund. We found that the inmate account receipts collected at the jail were not deposited on a daily basis.

Deposits were made at the jailer's discretion, at the middle and end of each month, during the fiscal year. The jail receives a significant amount of cash receipts. Due to the high risk associated with cash, it is crucial that the jailer make daily deposits.

Also, the jailer did not prepare and present a financial statement for the commissary account to the county treasurer for fiscal year 2016. And during the fiscal year, the jail did not reconcile monthly bank statements.

We recommend the jailer make it a practice to deposit inmate account receipts on a daily basis and reconcile bank statements each month. At fiscal year-end, a detailed and accurate financial statement should be compiled using financial information from receipts and disbursement journals. The ending balance should be reconciled to the bank balance. It is further recommended that this report be submitted to the county treasurer as the year-end report.

County Jailer's Response: Commissary money shall be deposited in a more timely manner. Shall give end of year report to treasurer.

The audit report can be found on the auditor's website.

## Local arrests made on felony charges

An inmate briefly escaped from custody on Monday night, May 22 at Marcum & Wallace Hospital.

Deputy Jailer Rick Goosey had gone to Three Forks Regional Jail in Beattyville to pick up Jerry D. Stone, 49, of Old Fox Road, Irvine, to bring him to the local hospital to be treated. Stone was incarcerated there on Estill County charges.

The citation states that Stone got out of his handcuffs and shackles, and jumped out of the transport car at the hospital as Goosey was attempting to let him out of the car. The citation adds that Stone also struck Goosey in the face.

The deputy jailer told Deputy Sheriff Daniel Smith that he and Stone then had a scuffle, and Stone grabbed his taser. He added that he got the taser back, but he stated that Stone then took off running.

Deputy Smith stated that he caught up with Stone in the woods across the road from Estill Springs Elementary School. He told Stone to stop running, but he kept on going.

When Smith reached Stone, he said the inmate resisted being placed under arrest.

Smith charged Stone with assault third degree (inmate assault on a corrections facility officer), escape first degree, resisting arrest, and fleeing or evading police second degree (on foot).

Stone's bail on his latest charges is \$20,000 cash.

He pled not-guilty to the four charges during his arraignment in Estill District Court on May 24. Judge William Leach scheduled a preliminary hearing for Stone on June 1 in Owsley County.

- Kentucky State Police have charged an Estill County man on May 24 on Richmond Road with failing to comply with sex offender registration.

Trooper Z. Pennington obtained the warrant for the arrest of Donald L. Stone, 36, of 143 John Rawlins Road, Irvine.

The warrant says the owners of that address told the Trooper Pennington on March 22, 2017 that Stone had not lived at that address for over a week.

Stone was arraigned May 26 and pled not-guilty to failing to comply with sex offender registration.

His preliminary hearing will be June 14

A \$5,000 surety bond was set for Stone.

- A man was arrested by

state police on May 25 after leading a deputy sheriff on a pursuit in South Irvine.

Trooper T. Robinson wrote in his citation that Brian Scott Tipton, 32, address unknown, led Deputy Doc Morris on a foot pursuit through several back yards and a creek.

During the pursuit, Deputy Morris fell down a five to ten foot embankment, which led to a road. The trooper said this could have caused serious physical injuries to the deputy.

Trooper Robinson said that Tipton was found hiding in a building behind a house.

The citation states that Tipton had a capped syringe in his right front jeans pocket.

The citation states that he was fleeing because he had an active arrest warrant.

Tipton was charged with fleeing or evading police, second degree (on foot), wanton endangerment, first degree, and drug paraphernalia - buy/possess.

Bail for Tipton was set at \$5,000 cash. He pleaded not-guilty during his arraignment on May 26. His preliminary hearing is scheduled for June 1 in Owsley County.

- A fugitive from Indiana was arrested May 25 by Trooper A. Brashear. The fugitive, Jeremy Hall, 27, of Kendallville, Indiana, now faces local charges.

Trooper A. Brashear said he noticed a silver mustang sitting in a driveway at South Irvine. The driver's head was down.

During a search of the vehicle, the trooper reported finding a loaded handgun under the passenger seat and drug paraphernalia inside the vehicle. The handgun was reported stolen from Indiana.

Hall was charged with no registration receipt, failure to wear seat belts, failure to produce insurance card, license to be in possession, receiving stolen property (firearm), drug paraphernalia - buy/possess, and operating a motor vehicle under the influence.

Hall pleaded not-guilty in Estill District Court on May 26. A preliminary hearing will be held on June 1 in Owsley County.

Hall's bond was set at \$25,000 cash.

The two warrants from Noble County, Indiana were served on Hall. At the time of those warrants, his address was given as Race Track Road, Irvine and his first name was spelled as Jerremmy.

A warrant dated Nov. 16,

2016 charges Hall with possession of methamphetamine and possession of paraphernalia.

The second warrant says that on Sept. 21, 2016, Hall violated his probation. He has been found guilty in Indiana of residential entry and resisting law enforcement. An escape charge was dismissed.

- A driver and passenger were both arrested on May 18 by Kentucky State Police.

The citation states Trooper Austin Brashear noticed an 85 Buick Cutlass driving on the Richmond Road which had expired registration.

The trooper said the passenger was not wearing a seat belt, and the driver appeared to be impaired. The trooper administered field sobriety tests to the driver.

The citations state there was an active Estill County warrant on the passenger, Frances Stamper, 20, of Waco.

During a search, the

trooper reported finding two needles in Stamper's purse which had suspected heroin.

She was charged with possession of a controlled substance, first degree and first offense (heroin), and drug paraphernalia - buy/possess.

Stamper pled not-guilty on May 19 in district court. Her preliminary hearing was held on May 22. Bond was set at \$20,000 cash.

- Irvine Officer Colton Lewis arrested a woman on May 7 after a traffic stop.

He charged Jessica N. Salkeld, 27, of Broadway at the intersection of Broadway and Sycamore Street with drug paraphernalia - buy/possess, operating on a suspended or revoked license, failure of owner to maintain required insurance, and no-expired registration receipt.

Salkeld was transported to the Clark County Detention Center.

During a search, a citation states that a matron found two plastic bags of a crystal like substance under the

inmate's breast.

Officer Lewis stated the substance field tested positive for methamphetamine. He added that Salkeld had several clear plastic bags upon her arrest which he believes was going to be used for trafficking in meth.

After the search, Salkeld was charged with possession of a controlled substance, first degree and first offense, trafficking in a controlled substance, first degree (meth), and promoting contraband.

Salkeld pled not-guilty to all charges on May 12 in Estill District Court. A preliminary hearing was held for her on May 17.

Bond for Salkeld was set at \$15,000 cash.

- A driver and passenger were arrested May 17 by Sgt. John Struniolo at the intersection of Broadway and Sycamore Street.

The officer said he observed a 2003 Buick driving north on South Hudson with only one headlight. The driver failed to use a turn signal at the intersection of South Hudson and Broadway.

After the vehicle was stopped, the sergeant said that Fritz, the city's K-9 alerted on the vehicle.

The officer said he located a metal Altoids tin which contained five packets of a brownish powder wrapped

in yellow paper. He added the substance field tested positive for heroin.

He added the driver had an unmarked pill container with two 300mg gabapentin and two tizanidine pills and a cut straw. There was also a cocaine pipe in the driver's pocket, along with a push rod for the pipe and a butane lighter.

The officer said a digital scale with powder residue was found in the car's console.

The driver, Jeffery Wade Smith, 53, of 7th Street, Ravenna was charged with one headlight, failure to use signal, illegal possession of a legend drug, possession of drug paraphernalia, possession of a controlled substance, first degree, and trafficking in a controlled substance, first (heroin).

The passenger, James Adams, 49, of South Hudson, was charged with possession of marijuana and trafficking in a controlled substance first degree (heroin).

The police sergeant said that he located a baggie of marijuana near the door on the passenger side.

The citation states that the passenger had sold two packages of heroin to a confidential informant on a prior date.

## Jailer, fiscal court agree to plan to transport inmates

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The fiscal court also discussed using the jail for holding inmates for a short period of time on court days.

Jailer Morris said that Judge Dean has issued an order to that effect.

He added the Dept. of Corrections said they will not go against the judge's order but they will accept no liability.

"I don't have a problem holding them over there," Morris stated.

The use of the jail as a short term holding facility solves the issue of restrooms for the inmates. Prior to this, the inmates were having to use the only two public restrooms in the courthouse.

Morris said that Powell County will be opening up a 100 bed addition to its jail around August 1. He added they are willing to take all Estill County inmates and will assist with transportation.

Taylor added the fiscal court needs to purchase a multi-passenger van to transport inmates.

One jail employee said the jail has a van. Taylor replied there are no cages that fit the van which are approved by the Dept. of Corrections.

Deputy Jailer Smith said that jail needs a four-wheel drive vehicle for transporting this winter.

"The only problem is this jail is too small," stated Deputy Jailer Smith.

It was built to hold about 18 inmates. The number of Estill inmates varies from day to day, but it usually runs three or four times the capacity.

The only vote taken by the fiscal court was to accept a bid for a CAD system used by Emergency Operations Center. The director, Ronnie Riddell, recommended a bid for the court to accept.

The system was advertised before a grant deadline. If approved, the system will be purchased through grant funds.

The fiscal court conducted a workshop on the budget.

One jail employee asked prior to the budget workshop, if employees were getting raises this year.

Taylor replied he didn't know because health insurance costs have gone up.

Although past budgets have not included raises, they were given to employees later in the year as unexpected revenues came in.

## Drug Court Graduation

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They stick around to encourage each other and the newcomers.

David Tapp, circuit judge of the 28th circuit including Lincoln, Pulaski, and Rockcastle counties, spoke at Wednesday's graduation.

It was held at the Estill County Courthouse but rotates among Estill, Lee and Owsley, the three counties in the 23rd circuit.

"No place has the challenges like we do in Kentucky," Judge Tapp stated. "Eastern Kentucky may still be the hardest place to live in the United States."

It has been referred to as the "white ghetto" of the country. The term "hillbillies" has been replaced with "pillbillies."

"We lead the nation with Hepatitis C cases," he said.

Unemployment has hovered around 12 percent. The disability rate in Eastern Kentucky is 23 percent compared to the national average of 1.3 percent.

The life expectancy is five to six years shorter than the national average.

"You really don't have a choice when you come into Drug Court," Tapp stated. "You have to work, whether it's community service or regular work."

One of last week's graduates had passed about 250 drug tests. One got his driver's license back at 38 years old, and another had worked over 2,000 hours of community service.

One Drug Court alumni said there is no price tag on the tools they learn in Drug Court that they will use the rest of their lives.

LeMaster told the five new graduates that graduation is the hardest. She said their friends will try to get them back onto drugs.

Wilma Spicer is the coordinator for Drug Court in Estill, Lee, and Owsley counties.