



Auditor of Public Accounts  
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### **Edelen Releases Audit of Former Mercer County Sheriff's Tax Settlement**

**FRANKFORT, Ky.** – State Auditor Adam Edelen today released the audit of the sheriff's settlement - 2010 taxes for former Mercer County Sheriff Chris Kehrt. 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.

The audit found that the former sheriff's financial statement fairly presents the taxes charged, credited and paid, for the period April 16, 2010 through December 14, 2010, in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance 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 comment:

- **The former sheriff's office lacked adequate segregation of duties over receipts and disbursements.** Segregation of duties over receipts and disbursements is essential for providing protection to employees in the normal course of performing their duties and can also help prevent inaccurate financial reporting and/or misappropriation of assets.

A lack of segregation of duties existed over the receipt and disbursement functions of the former sheriff's office because the bookkeeper posted receipts to the ledger, prepared the daily deposit, and reconciled the bank account. She also was responsible for the preparation of the monthly reports and issuance of monthly tax distribution checks to each taxing district.

To adequately protect employees in the normal course of performing their duties, and/or prevent inaccurate financial reporting or misappropriation of assets, the former sheriff should have

separated the duties involving the deposit and disbursement of cash, preparation of monthly reports, and reconciliation of the bank statement among the three office deputy clerks. Additionally, the former sheriff should have provided oversight, including initialing source documents as evidence of his review.

*Former Sheriff's Response: No response.*

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.

This report, in its entirety, can be accessed at the following Internet site: [here](#).

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