



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Gallatin County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Gallatin County Sheriff Robert Webster. 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.

Auditing standards require the auditor's letter to communicate whether the sheriff's settlement presents fairly the taxes charged, credited, and paid in accordance with accounting principles generally accepted in the United States of America. The sheriff's settlement is prepared on the regulatory basis, which is described in the auditor's opinion letter. Regulatory basis reporting for the sheriff's settlement is an acceptable reporting methodology, and this reporting methodology is followed for all 120 sheriff settlements in Kentucky.

The sheriff's financial statement fairly presents the taxes charged, credited, and paid for the period January 1, 2023 through August 31, 2023 in conformity with the regulatory basis of accounting.

The audit contains the following finding:

The sheriff's office did not have adequate segregation of duties over receipts, financial reporting, and bank reconciliations: The office manager is responsible for preparing the daily bank deposit, the daily collection report, and posting items to the receipts ledger. The office manager prepares the tax settlement financial statement and bank reconciliations that are agreed to the ledgers. There is no independent review of deposits, financial statement, or bank reconciliations. According to the sheriff, the limited size of the sheriff's office makes it difficult to segregate duties.

We recommend the sheriff's office separate the duties of collecting taxes, preparing financial reports, and preparing bank reconciliations. If these duties cannot be segregated, strong oversight should be provided to the employee responsible for these duties, and this oversight should be documented. The individual performing the oversight and reviews should initial or sign deposit tickets, financial reports, and bank reconciliations for evidence of their review.

Sheriff's Response: The official did not provide a 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.

The audit report can be found on the [auditor's website](#).

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