



Auditor of Public Accounts
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Ball Releases Audit of Jackson County Sheriff's Office

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2022 financial statement of the former Jackson County Sheriff Paul Hays. 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 financial statements present fairly the receipts and disbursements of the Jackson County Sheriff and the receipts, disbursements, and fund balances of the Jackson County Sheriff's operating fund and county fund in accordance with accounting principles generally accepted in the United States of America. The sheriff's financial statements did not follow this format. However, the sheriff's financial statements are fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for all 120 sheriff audits in Kentucky.

The audit contains the following findings:

The Jackson County Sheriff's Office did not have adequate segregation of duties: The former sheriff's office bookkeeper was responsible for collecting receipts, preparing deposits, preparing daily checkout sheets, posting to ledgers, and performing bank reconciliations.

We recommend the sheriff's office segregate duties over receipts, bank reconciliations, and disbursements. If segregation of duties is not feasible due to the lack of staff, the sheriff's office should strengthen established compensating controls.

Former Sheriff's Response: No Response

The Jackson County Sheriff's Office did not have internal controls over quarterly financial reports prepared by the service organization: The former sheriff used a tax service company to prepare the quarterly financial reports. The sheriff's bookkeeper processed and recorded all transactions in the computer system. At the end of each quarter, a detail of deposits and disbursements were sent to the tax service company to compile the quarterly financial reports. The sheriff's office did not review the reports before submitting to the fiscal court and the Department for Local Government.

We recommend the sheriff's office implement internal controls over work performed by the service organization to ensure the quarterly financial reports are accurate and complete.

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.

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

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