



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Jackson County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Jackson County Sheriff Daniel Isaacs. 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 Jackson County Sheriff's Office did not have adequate segregation of duties over receipts and disbursements: The sheriff's bookkeeper collected payments from customers, prepared daily collection reports, prepared deposits, and prepared monthly tax reports. Upon completion of the monthly reports, the bookkeeper prepared and signed the checks and performed the monthly bank reconciliations. In addition, the bookkeeper also had administrative rights to the tax program used to collect taxes.

We recommend the sheriff's office segregate the duties noted above by allowing different employees to perform these functions. However, if those duties cannot be segregated due to limited staff, strong management oversight by the sheriff or designee should be performed. This oversight should include reviewing daily checkout sheets and deposits, reviewing monthly tax reports, and reviewing monthly bank reconciliations. Documentation, such as the sheriff's or a designee's initials or signature should be provided on those items that are reviewed.

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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