



Auditor of Public Accounts Allison Ball

FOR IMMEDIATE RELEASE

Contact: Joy Pidgorodetska Markland
Joy.Markland@ky.gov
502.352.5216
502.209.2867

Ball Releases Audit of Johnson County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Johnson County Sheriff Scott Hazlette. 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: The sheriff's office did not have adequate segregation of duties over receipts, disbursements, and bank reconciliations. The bookkeeper may collect tax payments and prepare the daily checkout sheet, deposits, and monthly tax reports. Upon completion of the monthly tax reports, the bookkeeper prepared and signed checks and performed bank reconciliations. The sheriff indicated that this was caused by a limited number of employees that were available to segregate these job duties.

We recommend that if these duties cannot be segregated, the sheriff's office should implement and document compensating controls to help offset this weakness.

Sheriff's Response: This is my plan of action concerning segregation of duties. At the end of each day, the clerks will check each others drawers for accuracy. The finance officer will check their reports and prepare the bank deposit and determine accuracy. I will review and initial the reports and deposits and deliver the deposits to the bank.

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](#).

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians. Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.

