



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Lewis County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Lewis County Sheriff Johnny Bivens. 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 September 1, 2022 through August 31, 2023 in conformity with the regulatory basis of accounting.

The audit contains the following finding:

The sheriff's office does not have adequate segregation of duties: The sheriff's bookkeeper collects and deposits tax receipts, records all transactions, prepares monthly reports, and reconciles the bank account. According to the sheriff, the lack of adequate segregation of duties within the sheriff's office was the result of a limited staff size.

If these duties cannot be segregated, we recommend the sheriff perform the following compensating controls to help offset this weakness: recount and make the daily deposits, agree daily tax collections total to the receipts ledger and deposit slip, agree monthly tax reports to receipts ledger and disbursements ledger, and review the monthly bank reconciliation. We also recommend the sheriff initial these documents as proof of his review.

Sheriff's Response: This is an issue for smaller agencies. We do not have the financial resources to hire additional staff for tax purposes only.

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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