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Ball Releases Audit of Livingston County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Livingston County Sheriff Bobby Davidson. 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 statement presents fairly the receipts, disbursements, and excess fees of the Livingston County Sheriff in accordance with accounting principles generally accepted in the United States of America. The sheriff's financial statement did not follow this format. However, the sheriff's financial statement is 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 Livingston County Sheriff's Office does not have adequate segregation of duties: The bookkeeper can collect cash, prepare the daily checkout sheet, prepare deposits, take deposits to the bank, post to the ledgers, prepare and sign checks, reconcile the bank statements, and prepare monthly reports.

We recommend the sheriff segregate the duties noted above by allowing different deputies to perform them. For those duties that cannot be segregated due to a limited staff size, strong management oversight by the sheriff or designee could be a cost-effective alternative. This oversight should include reviewing daily checkout sheets, daily deposits, and monthly bank reconciliations. Documentation, such as the sheriff's or designee's initials or signature, should be provided.

Sheriff's Response: Our office does not generate enough revenue to have more employees. We will do more double checking with each other to insure proper oversight of records.

The Livingston County Sheriff's fourth quarter was materially misstated: The county sheriff submitted a fourth quarter financial statement for 2023 to the Department for Local Government that was materially misstated. Financial statement receipts of \$90,175 and disbursements of \$42,345 were misclassified. The sheriff agreed with and accepted the receipt and disbursement adjustments needed to correct the misclassifications on his fourth quarter financial statement in order to present an accurate 2023 financial statement. Due to the posting errors, the fourth quarter financial statement submitted to the DLG was materially misstated, and end users were not able to verify amounts that were paid to or received from the sheriff's office.

We recommend the sheriff's office strengthen internal controls over the receipt and disbursement daily ledger postings and the completion of the fourth quarter financial statement. Such controls should ensure that all transaction classes are recorded in the proper line-item category by using the guidance prescribed by the Department for Local Government.

Sheriff's Response: This was due to error on our software [name redacted] that we were unable to correct.

The Livingston County Sheriff's Office overspent the approved budget: For the calendar year 2023, the sheriff's office had an approved operating budget of \$362,820, however, the sheriff's office spent \$396,084. Therefore, the sheriff's office overspent the approved budget by \$33,264. This caused the office to expend more money than was approved by the fiscal court. Therefore, the sheriff is not in compliance with KRS 68.210.

We recommend the Livingston County Sheriff monitor the budget set by the fiscal court to ensure that he does not spend more than what is approved, and, if necessary, obtain a budget amendment sufficient to cover all expenditures from the fiscal court before year-end.

Sheriff's Response: This was due to our failure to amend our budget that would adjust expenditures & income to equal budget out.

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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