



Auditor of Public Accounts
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Ball Releases Audit of Magoffin County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Magoffin County Sheriff William Meade. 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 does not have adequate segregation of duties: The Magoffin County Sheriff's Office lacks adequate segregation of duties and internal controls over tax receipts and disbursements. The office manager and deputy clerks collect tax receipts. The office manager or a deputy clerk prepares daily bank deposits, reconcile daily receipts to the daily collection report, and posts items to the receipts ledger. The office manager prepares month-end tax reports, prepares checks for tax distribution based on the month-end tax reports, and posts checks to the disbursements ledger. The sheriff and the office manager sign tax distribution checks.

We recommend the sheriff's office implement internal controls and segregate duties as much as possible. If these duties cannot be separated due to limited staff or limited budget, the sheriff's office should implement strong oversight over these areas, either by an employee independent of those functions or by the sheriff.

Sheriff's Response: We are going to have each front-end clerk review each other's daily collections to monitor any discrepancies. I have also separated to the front-end clerks' duties from the bookkeepers. I will also review and sign off on monthly reconciliations.

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

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