



## Auditor of Public Accounts Allison Ball

**FOR IMMEDIATE RELEASE**

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### **Ball Releases Audit of Martin County Sheriff's Tax Settlement**

**FRANKFORT, Ky.** – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Martin County Sheriff John Kirk. 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:** One deputy clerk collects tax payments from customers and prepares daily bank deposits. The bookkeeper prepares monthly tax reports, writes checks for distribution, and the sheriff signs the checks. The bookkeeper posts to the receipts and disbursements ledger and prepares monthly bank reconciliations.

We recommend the sheriff's office implement internal controls and segregate duties as much as possible. Employees receiving payments and preparing deposits should not be posting to the receipts ledger and preparing bank reconciliations. Employees preparing and signing checks should not be posting to the disbursements ledger and preparing bank reconciliations. If proper segregation of duties is not possible with a limited number of employees, the sheriff could prepare or review the daily deposits, receipts, disbursements ledgers, monthly reports, and bank reconciliations.

*Sheriff's Response: We have limited staffing due to budgetary restraints but do attempt to segregate duties whenever possible. Due to having only 2 paid deputies, the Sheriff fills in many shifts as a road deputy and has limited time available. The Sheriff currently signs all expenditure checks, tax payout reports and monthly bank reconciliations. We will attempt to provide additional compensating controls whenever possible.*

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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