



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Owsley County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Owsley County Sheriff Tara Roberts. 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 Owsley 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 Owsley County Sheriff's Office lacks adequate segregation of duties: The sheriff's bookkeeper collects payments from customers, prepares daily checkout sheets, prepares disbursements, posts to the receipt and disbursement ledgers, prepares all reports, and performs all reconciliations. The sheriff or another employee did not document oversight over any of these activities.

We recommend the Owsley County Sheriff's Office separate the duties involved in receiving payments from customers, preparing daily checkout sheets, preparing disbursements, posting to ledgers, preparing reports, and preparing reconciliations. If this is not feasible due to a limited budget, cross checking procedures should be implemented and documented by the individual performing the procedures.

Sheriff's Response: Due to the lack of funds, we are understaffed but will and have already put into place steps to adequately segregate as many duties possible in future transactions.

The Owsley County Sheriff's Office did not have proper controls in place over the budget and the fourth quarter financial report: During review of the approved budget and the fourth quarter financial report, the following errors were noted for calendar year 2023. These included: approved budget did not calculate correctly resulting in total budgeted amounts to be incorrect; approved budget did not agree with budgeted amounts listed on the fourth quarter financial report. Auditor noted no budget amendments were submitted or approved; sheriff failed to submit an annual order setting maximum amount for deputies and assistants; sheriff's actual operating expenditures exceeded the total approved budget in the amount of \$32,292; receipts of \$42,660 for a Community Facilities Grant for the purchase of a search and rescue vehicle was not recorded on the receipt ledger or fourth quarter financial report; and the fourth quarter financial report included a liability for the sheriff's salary of \$46,058 that had not been paid from the 2023 fee account due to lack of funds in the account to pay this liability.

We recommend the sheriff maintain oversight to ensure the budget calculates correctly, approved budgeted amounts agree with the fourth quarter financial statement, and an Annual Order Setting Maximum Amount For Deputies And Assistants is submitted with the budget each year to the fiscal court for approval. In addition, we recommend the sheriff

monitor her budget and ensure she does not overspend the budgeted amounts approved by the fiscal court and improve procedures over financial reporting to ensure transactions are properly recorded and financial statements are materially stated.

Sheriff's Response: As reported to the auditor, we were not left any records from the previous administration and was given a budget that was inflated of actual monies expected.

Auditor's Reply: The sheriff should have monitored her budget and submitted a budget amendment prior to the end of the year.

The Owsley County Sheriff's Office did not have proper controls in place over disbursements: The Owsley County Sheriff's Office lacks proper controls over disbursement procedures. During testing of disbursements, the following exceptions were noted regarding the sheriff's 2023 fee account: one disbursement was not supported by an invoice or receipt; one disbursement was not supported by an itemized invoice or receipt; one disbursement was not paid within 30 days; a debit card was used which did not allow for proper approval of disbursements; fifty-seven of the 117 credit card charges totaling \$2,180 were not supported by an invoice or receipt; two of the 117 credit card charges were not supported by an itemized invoice or receipt; and the sheriff made partial payments for credit card invoices which resulted in interest applied to the sheriff's credit card.

Furthermore, the sheriff engaged in multiple disallowed expenditures from the 2023 Fee Account. This included eleven disbursements for personal food for her office totaling \$1,288; six disbursements included credit card interest totaling \$161; three disbursements for donations totaling \$250; three disbursements included late fees totaling \$16; and two disbursements were for meals which included alcohol purchased totaling \$16.

We recommend the sheriff maintain appropriate supporting documentation and oversight over all disbursements to ensure payments are properly supported, paid timely, and are allowable. We further recommend the sheriff remit \$1,731 personally to the 2023 Fee Account for the disallowed expenditures incurred from the 2023 Fee Account.

Sheriff's Response: Disallowable expenses paid out will no longer be allowed in future transactions. The sheriff is now doing fee pooling and all disbursements are closely monitored and scrutinized by county officials. The disallowed expenditures were strictly for the office and not personally benefited by the sheriff alone. All future disbursements will be appropriate and properly documented as recommended by the auditor.

Auditor's Reply: Disallowed expenditures were not necessary, adequately documented, and were not beneficial to the public.

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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