



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Pendleton County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Pendleton County Sheriff Jared Brewer. 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 Pendleton County Sheriff's Office has a lack of segregation of duties over receipts, disbursements, and reconciliations: The bookkeeper and deputies collect tax receipts from customers. The sheriff prepares the daily checkout sheet and deposit ticket, posts to the receipts ledger, and prepares the monthly tax reports. The sheriff prepares disbursement checks and mails disbursement checks to the districts. During testing, auditors noted daily checkout sheets, monthly reports, and ledgers had no documentation of independent review and deposits were not made daily.

We recommend the Pendleton County Sheriff's Office implement proper compensating controls such as maintaining daily checkout sheets and deposit tickets, daily deposits, bank reconciliations prepared monthly, and dual signatures. In addition, the person reviewing a document and initialing should be independent of who prepared the document.

Sheriff's Response: Additional checks and balances have now been implemented moving forward. In order to maintain segregation of duties within our office, multiple personnel will be checking and verifying the receipts, disbursements and reconciliations. This will be implemented immediately.

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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