



Auditor of Public Accounts  
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**FOR IMMEDIATE RELEASE**

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**Harmon Releases Audit of Former Edmonson County Sheriff's Tax Settlement**

**FRANKFORT, Ky.** – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2022 taxes for former Edmonson County Sheriff Shane Doyle. 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 former 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 former sheriff's settlement is prepared on the regulatory basis, which is described in the auditor's opinion letter. Regulatory basis reporting for the former sheriff's settlement is an acceptable reporting methodology, and this reporting methodology is followed for all 120 sheriff settlements in Kentucky.

The former sheriff's financial statement fairly presents the taxes charged, credited and paid for the period September 1, 2022 through November 30, 2022 in conformity with the regulatory basis of accounting.

As part of the audit process, the auditor must comment on noncompliance with laws, regulations, contracts, and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following finding:

**The former Edmonson County Sheriff's Office did not have segregation of duties over receipts and reconciliations:** The former sheriff's bookkeeper collected taxes, prepared daily checkout sheets, posted to the ledgers, prepared monthly reports, and prepared the monthly bank

reconciliations. This creates a lack of segregation of duties over the receipts and reconciliations functions in the sheriff's office.

A lack of segregation of duties could result in the misappropriation of assets or inaccurate financial reporting to external agencies such as the Department of Revenue or taxing districts, which could occur and go undetected. Segregation of duties or the implementation of compensating controls, when needed because of the number of staff is limited, is essential for providing protection to employees in the normal course of performing their duties and can also help prevent inaccurate financial reporting or misappropriation of assets.

According to the former sheriff, this is due to not having the budget for adequate office staff to completely segregate the duties of tax collection. We recommend the sheriff's office segregate the duties over receipts and reconciliations in order to adequately protect employees in the normal course of performing their duties and to help prevent misappropriation of assets or inaccurate financial reporting. If unable to properly segregate these duties, the sheriff's office should implement document compensating controls over the receipts and reconciliation processes to mitigate the risks created by the lack of segregation of duties.

*Former Sheriff's Response: As explained yearly, we have implemented compensating controls due to our small staff and inability to segregate duties to multiple people.*

Auditor's Reply: Due to change in personnel, compensating controls were not functioning as designed for the 2022 tax collections.

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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