



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

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the sheriff's settlement – 2022 taxes for Powell County Sheriff Danny Rogers. 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 a 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 findings:

The Powell County Sheriff's Office does not have adequate segregation of duties: The employee responsible for handling tax receipts also records the receipts in the ledger, prepares bank deposits, and performs monthly bank reconciliations. Furthermore, this same employee prepares the disbursement checks and is responsible for preparing monthly reports that document the amounts to be paid to each taxing district.

We recommend the sheriff ensure that accounting duties are properly segregated in the future. If this is not feasible, the sheriff should implement adequate compensating controls that would limit the severity of this deficiency in internal controls. Additionally, evidence of the compensating controls implemented should be maintained.

Sheriff's Response: I disagree that the sheriff was not involved in the daily financial activities of his office. Someone could not make that assumption only by being here a couple of times a year. I do discuss daily activities with my staff however it may not be documented by handwriting but I am involved in my office and the activities. I not only work the road but I do help in the office taking payments and preparing receipts for fees and property taxes.

The Powell County Sheriff did not have adequate internal controls in place to ensure guidelines for penalty and add-on fee waivers were followed and did not apply discounts properly: The sheriff applied discounts to collections that did not meet the criteria to receive a discount, specifically, three instances were noted in which the discount was applied on the last day of collections or afterward. Finally, the sheriff failed to maintain proper documentation of waiver forms. We recommend the sheriff establish internal control procedures and implement proper oversight to ensure the requirements of KRS 131.175 and KRS 134.015 are followed.

Sheriff's Response: Will work on resolving these issues.

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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