



**Auditor of
Public Accounts
Allison Ball**

Former Adair County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Adair County Sheriff Gary Roy. 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, 2023 through August 31, 2024 in conformity with the regulatory basis of accounting.

Finding: Did not have adequate segregation of duties over receipts, disbursements, recordkeeping, and reconciliations.

The former Adair County Sheriff's Office did not have adequate segregation of duties over receipts, disbursements, and reconciliations. The bookkeeper collected tax payments from customers, assisted in the preparation of deposits, prepared daily collection printouts, maintained records, and posted to the receipts and disbursements ledgers. In addition, the bookkeeper prepared monthly tax reports, prepared and signed checks, filed documents, and performed monthly bank reconciliations. While the former sheriff signed reports, this lack of segregation of duties caused the following errors and issues:

- One tax bill had been collected but not paid out to the districts.
- One taxing district was overpaid by \$1,000 due to a computation error in subtracting refunds on the monthly report.
- Two monthly tax reports showed that the sheriff's commission was paid to the taxing district instead of the taxes due to the districts.
- One month's school commissions were not paid to the school district as required, but the school district refunded the commissions to the sheriff's office. .
- Some bank statements could not be located and had to be obtained by the bank.

Recommendations

We recommend the sheriff's office separate duties over receipts, disbursements, recordkeeping, and reconciliations. If these duties cannot be separated due to limited staff or limited budget, then strong oversight over those areas should occur and involve the sheriff or an employee not currently performing any of those functions. The individual providing this oversight should initial source documents as evidence of review.

County Officials Response

Former Sheriff's Response: Additional office staff would have to be hired to correct this. Due to limited funds to hire additional staff I chose to take write up.

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](#).



209 St. Clair Street | Frankfort, KY 40601 | 502.564.5841 | www.auditor.ky.gov
