



**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 – 2024 taxes for Former Adair County Sheriff Jamie Richard. 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, 2024 through August 31, 2025 in conformity with the regulatory basis of accounting.

### **Finding: The Former Adair County Sheriff's Office 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. To compensate, all checks require two signatures, and the former sheriff reviewed and signed monthly reports and year end settlements.

### **Recommendations**

We recommend the sheriff's office segregate duties over the receipt and reconciliation portions of the tax collection process where possible with limited staff. 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: The former Sheriff did not provide a response.*

### **Finding: The Former Adair County Sheriff Did Not Have Adequate Controls Over Financial Reporting Resulting In A Material Misstatement**

The former Adair County Sheriff did not have adequate internal controls over financial reporting which resulted in failing to settle all tax collections charged to him while in office. The former Adair County Sheriff settled his tax collections through May 2025 and then retired from office on July 31, 2025. However, the former sheriff collected \$403,771 of franchise taxes in June that he failed to include on any tax settlement. There were no internal controls in place to alert the sheriff of this omission.

## Recommendations

We recommend the sheriff's office comply with KRS 134.192 and strengthen controls over financial reporting to ensure tax collection settlements are complete and accurate.

## County Officials Response

*Former Sheriff's Response: The former Sheriff did not provide a response.*

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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