



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Estill County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Estill County Sheriff Chris Flynn. 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, 2022 through August 31, 2023 in conformity with the regulatory basis of accounting.

The audit contains the following finding:

The Sheriff's Office does not have adequate segregation of duties without effective compensating controls: The sheriff's office does not have adequate segregation of duties over receipts and reconciliations. The sheriff's bookkeeper receives payments for taxes, records receipts in the ledger, prepares bank deposits, and performs monthly bank reconciliations. Additionally, the same employee prepares monthly reports reflecting amounts to be paid to each taxing district, prepares checks for payments from the tax account, and records disbursements in the ledger. The sheriff does not initial daily deposits, bank statements, and reconciliations for his review.

We recommend the sheriff's office segregate duties over receipts and reconciliations functions of the tax collection process where possible. If segregation of duties is not possible, the sheriff should implement and document effective compensating controls to offset this internal control deficiency.

Sheriff's Response: The official 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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