



**Auditor of  
Public Accounts  
Allison Ball**

# Fulton County Sheriff's Tax Settlement Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2023 taxes for Fulton County Sheriff Chad Parker. 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: The sheriff's office lacks adequate segregation of duties**

The sheriff's office lacks an adequate segregation of duties over accounting and reporting of tax collections. The bookkeeper's primary responsibilities include collecting taxes, preparing daily deposits, processing monthly tax reports, preparing and signing tax distributions, performing monthly bank reconciliations, and preparing annual tax settlements. The sheriff's office has implemented compensating controls such as review of monthly reports, monthly bank reconciliations, checks, and the settlement, however, there was no documented review of daily checkout procedures.

## **Recommendations**

In order to achieve a proper segregation of duties, we recommend that the sheriff assign some duties to other employees. If this is not feasible, we recommend that the sheriff implement compensating controls over the daily checkout procedures and continue with the compensating controls already implemented.

## **County Officials Response**

*Sheriff's Response: Due to the size of our office and our current budget provided by the Fulton County Fiscal Court does not allow us to employ any extra office personnel, we do not have multiple personnel handling the accounting. However, we do incorporate compensating controls with checks and balances provided by the Sheriff and Deputies in our office. Segregation of duties are implemented by delegating duties to all personnel to enhance transparency, accountability and over all integrity of the operations of this office. This is a common finding throughout the Commonwealth in small agencies. The only way to resolve this issue would be to have multiple office personnel handling the accounting.*

## Finding: The sheriff's office did not make daily tax deposits

The sheriff's office prepares daily collection reports and deposit tickets each day, however, based on the deposit dates on the bank statements, deposits were not made daily. According to office staff, deposits were not made daily due to the office having a limited staff. The failure to make daily deposits resulted in the sheriff not following KRS 68.210. Also, by not making daily deposits, tax collections were left vulnerable to misappropriation and loss.

## Recommendations

We recommend the Fulton County Sheriff's Office make daily deposits. We further recommend the sheriff's office strengthen internal controls over daily checkout procedures to ensure deposits are made daily.

## County Officials Response

*Sheriff's Response: We do attempt to make daily deposits to ensure we do not have large accumulation of monies on site. We also balance all incoming transactions and funds daily by documenting on deposit slips to ensure all funds are accounted for, which helps reconciliation of all accounts and that they are accurately balanced.*

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](#).

