



**Auditor of
Public Accounts
Allison Ball**

Fulton County Sheriff's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of Fulton County Sheriff Chad Allen 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 financial statement presents fairly the receipts, disbursements, and excess fees of the Fulton County Sheriff in accordance with accounting principles generally accepted in the United States of America. The sheriff's financial statement did not follow this format. However, the sheriff's financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for all 120 sheriff audits in Kentucky.

Finding: Lacks adequate segregation of duties.

The Fulton County Sheriff's Office lacks adequate segregation of duties. The bookkeeper is responsible for collecting receipts, preparing daily checkout sheets, preparing deposits, posting transactions to the ledgers, preparing and signing checks, reconciling the bank statements, and preparing monthly and quarterly reports. The sheriff has implemented compensating controls such as review of daily checkout sheets, comparison to deposits and tracing to receipts ledger. Sheriff or designee also reviews monthly bank reconciliations. However, these controls were not sufficient to prevent the fourth quarter financial statement from being materially misstated. According to the sheriff, this condition is the result of a limited budget, which restricts the number of employees the sheriff can hire or delegate duties to. A lack of segregation of duties increases the risk of misappropriation of assets and inaccurate financial reporting.

Recommendations

We recommend the sheriff segregate the duties noted above by allowing different employees to perform these functions. If this is not feasible due to a limited number of staff, the sheriff should continue performing the compensating controls that have been implemented and working effectively.

County Officials Response

Sheriff's Response: Due to the limited size of our office and the current budget allocated by the Fulton County Fiscal Court, we are not financially positioned to employ additional administrative staff. As a result, we are unable to assign multiple personnel to handle accounting functions.

Despite this constraint, we have implemented compensating controls to ensure the integrity of our financial processes. These include checks and balances carried out by the Sheriff

and Deputies, along with clearly defined roles and responsibilities designed to promote transparency, accountability, and operational integrity.

While full segregation of duties is ideal, it is often not feasible in smaller agencies with limited resources—a challenge common across the Commonwealth. The most effective long-term solution would be an increase in staffing to allow for a more complete separation of financial responsibilities.

Finding: Fourth quarter financial statement was materially misstated.

The Fulton County Sheriff's Fourth Quarter Financial Statement was materially misstated. The sheriff's fourth quarter financial statement overstated commissions on taxes collected by \$12,724, and understated state fees for service by \$12,686. Additionally, eight other line items had small variances when compared to the sheriff's ledgers.

Recommendations

We recommend the Fulton County Sheriff strengthen internal controls over the recordkeeping and reporting functions of the office. Strict and systematic controls over checkout procedures and report preparations should be implemented. We further recommend that the sheriff compare the ledgers to the quarterly financial reports to ensure that they agree.

County Officials Response

Sheriff's Response: To help minimize the potential for errors, the bookkeeper maintains dual records—using both [software name redacted] and a manual Excel spreadsheet—as a redundancy measure. While this system enhances accuracy, it is not entirely error-proof.

In this instance, a daily deposit was inadvertently entered under the incorrect line item in the manual Excel record. As a result, one category reflected an overage while another showed a corresponding deficiency. It's important to note that all funds were properly accounted for; this was a clerical error with no impact on the actual financial totals.

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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