



**Auditor of
Public Accounts
Allison Ball**

Gallatin County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Gallatin County Sheriff Robert Webster. 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 did not have adequate segregation of duties over receipts, financial reporting, and bank reconciliations

All employees of the sheriff's office collect receipts. The office manager is responsible for preparing the daily bank deposit, the daily collection report, and posting items to the receipts ledger. The office manager prepares the tax settlement financial statement and bank reconciliations that are agreed to the ledgers. There is no independent review of deposits, financial statements, or bank reconciliations completed by the office manager.

Recommendations

We recommend the sheriff's office separate the duties of collecting taxes, preparing financial reports, and preparing bank reconciliations. If these duties cannot be segregated, then strong oversight should be provided to the employee responsible for these duties, and this oversight should be documented. The individual performing the oversight and reviews should initial or sign deposit tickets, financial reports, and bank reconciliations for evidence of their review.

County Officials Response

Sheriff's Response: The official did not provide a response.

Finding: Did not complete monthly reports and payments of franchise and limestone, sand, and gravel tax collections to taxing districts.

The sheriff's office did not report and distribute franchise and limestone, sand, and gravel tax collections to the appropriate taxing districts on a monthly basis. Instead, the office submitted reports and made payments on a delayed, quarterly or semi-annual schedule:

- Collections for the period of May 2023 through August 2023 were completed in September 2023.
- Collections for the period of September 2023 through December 2023 were completed in January 2024.
- Collections for the period of January 2024 through April 2024 were completed in April 2024.

Recommendations

We recommend the sheriff's office implement procedures to ensure all required tax reports and distributions are completed on a monthly basis, in compliance with statutory requirements.

County Officials Response

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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