



**Auditor of
Public Accounts
Allison Ball**

Gallatin County Sheriff's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of 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 financial statement presents fairly the receipts, disbursements, and excess fees of the Gallatin 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: Did not have adequate segregation of duties over receipts, disbursements, and bank reconciliations.

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The sheriff's office does not have adequate segregation of duties over the accounting and reporting functions of receipts, disbursements, and bank reconciliations. The sheriff's bookkeeper collects receipts, posts receipts to the ledger, takes deposits to the bank, prepares and signs checks, posts disbursements to the ledger, and completes the bank reconciliations. The sheriff reviews invoices and initials them for the bookkeeper to prepare checks, but he does not compare the invoices to the checks before he signs them, resulting in an ineffective review or approval of disbursements. The result is a lack of segregation of duties over receipts, disbursements, and bank reconciliations. According to the sheriff, this condition is a 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 could result in undetected misappropriation of assets and inaccurate financial reporting to external agencies such as the Department for Local Government.

Recommendations

We recommend the sheriff separate the duties involved in receiving cash, preparing deposits, writing checks, posting to ledgers, preparing monthly bank reconciliations, preparing financial reports, and comparing them to ledgers. If this is not feasible, cross checking procedures should be implemented and documented by the individual performing the procedure who is independent of performing the functions of receipt collection, deposits, check preparation and signature, posting to ledgers, and reconciling the bank accounts. Reviews should be evidenced with reviewer's initials on the daily collection reports, deposit tickets, ledgers, and bank reconciliations.

County Officials Response

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

Finding: Budget was overspent.

The Gallatin County Sheriff's disbursements exceeded the budget approved by the Gallatin County Fiscal Court by \$157,718. The Gallatin County Fiscal Court approved the sheriff's budget for disbursements at \$1,163,668 however, the sheriff expended \$1,321,386. Due to the lack of management oversight, the budget for calendar year 2024 was overspent. By overspending the budget, the sheriff increases the risk of having a deficit and being in noncompliance with requirements imposed by the Department for Local Government, including that the budget be approved by the county fiscal court.

Recommendations

We recommend the Gallatin County Sheriff monitor the budget throughout the year and request budget amendments as necessary from the fiscal court before year end.

County Officials Response

Sheriff's Response: The 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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