



**Auditor of
Public Accounts
Allison Ball**

Former Grant County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Former Grant County Sheriff Brian Maines. 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: Lacked adequate internal controls over the tax collection and settlement process.

The former Grant County Sheriff failed to segregate incompatible duties and did not implement adequate internal controls over the collection and settlement of his 2023 taxes. The office manager prepared the daily checkout sheet and deposit ticket, posted to the ledger, prepared the monthly reports and disbursement checks, prepared the bank reconciliation, and may also have the responsibility of collecting cash at times. Additionally, the tax program utilized by the sheriff's office for processing the collection and payment of taxes contained errors in commission rates for multiple taxing districts that led to monies being owed to both the former sheriff and a taxing district. The lack of oversight and compensating controls led to the former sheriff submitting a tax settlement that contained multiple errors.

Recommendations

We recommend the sheriff's office strengthen controls over the preparation of the tax settlement, ensuring it is complete and accurate. This includes segregating duties, and if that is not possible, we recommend the sheriff's office implement effective compensating controls. These controls should be evidenced by initials on daily checkouts, sheets, deposit tickets, ledgers, and bank reconciliations, monthly tax reports, and the draft tax settlement. We also recommend a documented review of the tax settlement to make sure that it adds correctly and that all amounts trace to source documents.

County Officials Response

Former 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](https://www.auditor.ky.gov).

