



**Auditor of  
Public Accounts  
Allison Ball**

# Greenup County Sheriff's Tax Settlement Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Greenup County Sheriff Matt Smith. 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: Lacks adequate segregation of duties.**

The Greenup County Sheriff's Office lacks adequate segregation of duties over various accounting functions. The sheriff's bookkeeper prepares monthly reports, performs bank reconciliations, prepares daily check-out and records receipts, and prepares and records checks. These incompatible duties create a lack of segregation of duties over receipts and reconciliations. Compensating controls were not sufficiently documented to determine proper oversight was performed. This deficiency increases the risk of misappropriation of assets, errors, and inaccurate financial reporting.

## **Recommendations**

We recommend the sheriff segregate duties involving the preparation of daily check-out and reporting of receipts, the preparation and recording of disbursements, and bank reconciliations. If segregation of duties is not feasible due to a lack of staff, we recommend the sheriff implement and document compensating controls to offset this control deficiency in the form of strong oversight from an employee not performing any of those functions.

## **County Officials Response**

*Sheriff's Response: With limited office space and limited employees, I try to inspect as much as possible and oversee daily transactions.*

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).

