



**Auditor of
Public Accounts
Allison Ball**

Hancock County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Hancock County Sheriff Ralph Dale Bozarth. 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: Does not have adequate segregation of duties over receipts, disbursements, and bank reconciliations.

The Hancock County Sheriff's Office has a lack of segregation of duties over the receipt and disbursement functions and preparing the bank reconciliations. The bookkeeper is responsible for the collection of cash, preparation of the daily deposit and preparing the bank reconciliations. She is also responsible for the preparation of monthly reports and issuance of monthly tax distribution checks to each taxing district. According to the sheriff this lack of segregation of duties is due to a limited number of employees available to properly segregate these job duties.

Recommendations

We recommend the sheriff separate the duties over the receipt and disbursement functions, and preparation of bank reconciliations. If this is not possible, due to limited number of staff, then strong oversight over those areas should occur and involve the sheriff or an employee not currently performing any of those functions. The individual providing this oversight should initial source documents as evidence of this review.

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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