



## Auditor of Public Accounts Allison Ball

**FOR IMMEDIATE RELEASE**

**Contact: Joy Pidgorodetska Markland**  
[Joy.Markland@ky.gov](mailto:Joy.Markland@ky.gov)  
**502.352.5216**  
**502.209.2867**

### **Ball Releases Audit of Jackson County Sheriff's Fee Account**

**FRANKFORT, Ky.** – State Auditor Allison Ball released the audit of the 2023 financial statement of Jackson County Sheriff Daniel Isaacs. 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 Jackson 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.

The audit contains the following findings:

**The county sheriff's office did not have adequate segregation of duties over receipts, bank reconciliations, and disbursements:** The sheriff's office bookkeeper was responsible for collecting receipts, preparing deposits, preparing daily checkout sheets, posting to ledgers, and performing bank reconciliations. The sheriff or another employee did not document oversight of bank reconciliations. The sheriff's bookkeeper was also responsible for preparing purchase orders, preparing checks, and signing checks.

We recommend the sheriff's office segregate the duties over receipts, bank reconciliations, and disbursements. If segregation of duties is not feasible due to a lack of staff, the sheriff's office should continue with and establish compensating controls.

*Sheriff's Response: Lack of funding to have additional office personnel, and this makes it very difficult to segregate duties. Most small offices share this issue.*

**The county sheriff's office lacks adequate internal controls over the reporting process:** In the prior year, the sheriff used a tax service to prepare the quarterly financial reports. In 2023, this responsibility was given to the bookkeeper who processed and recorded all transactions in the computer system. At the end of each quarter, she compiled details of deposits and disbursements from the computer system and bank statements to create the quarterly financial reports.

We recommend the sheriff's office implement stronger internal controls and management oversight over the financial reporting process.

*Sheriff's Response: During 2023 there was several changes with office clerks, this created several different styles of reporting.*

**The county sheriff's fourth quarter financial statement was materially misstated:** The following deficiencies were noted: \$82,561 of payroll disbursements paid by the fiscal court that were not reimbursed by the sheriff; \$61,701 of tax commissions collected from the 2023 tax account rather than the 2023 fee account; \$4,655 2022 tax payment to the Kentucky State Treasurer paid 2023 tax account; \$2,992 payment for payroll paid from donation account rather than fee account; and lack of supporting documentation.

We recommend the sheriff ensure his fourth quarter financial statement is accurate.

*Sheriff's Response: Most budgets are misstated by the 4<sup>th</sup> quarter but are amended before the end of the quarter. This option was something I was unaware of, but going forward it will not be a finding.*

**The county sheriff's office did not properly handle receipts:** The following deficiencies were noted: six instances in which daily checkout deposits included receipts from multiple days; one instance in which no receipt was issued for a fee collected; one instance in which the receipt noted \$50 was collected from a customer with no change given back, but only \$45 was deposited into the sheriff's bank account; \$30,838 was deposited erroneously into the 2023 fee account in January 2024; and \$61,701 of tax commissions collected for tax year 2023 were paid to the 2024 fee account rather than the 2023 fee account.

We recommend the sheriff comply with KRS 68.210 by implementing internal controls and appropriate oversight over the receipt and deposit process in his office to ensure all deposits are made daily as required by the DLG.

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

**The county sheriff did not have proper controls over the payroll process:** The following deficiencies were noted: the sheriff exceeded the salary limit set by the fiscal court by \$121,679; \$82,561 of payroll disbursements paid by the fiscal court were not reimbursed by the sheriff; three employees did not have any timesheets to substantiate the salaries received; and overtime and compensatory time are not being calculated correctly.

We recommend the sheriff's office implement stronger controls over the payroll process to ensure amounts are reported accurately and that timesheets are maintained for all employees. Stronger controls over the payroll process would also ensure the sheriff's office does not exceed the salary limit for deputies set by the fiscal court and all payroll amounts due to the fiscal court are paid.

*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](#).

###

*The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians. Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.*

