



**Auditor of
Public Accounts
Allison Ball**

Johnson County Sheriff's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of Johnson County Sheriff Scott Hazlette. 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 Johnson 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: The Johnson County Sheriff Lacks Adequate Segregation Of Duties Over Receipts, Disbursements, And Reconciliations

This is a repeat finding and was included in the prior year audit report as finding 2023-003. The sheriff lacks adequate segregation of duties controls over receipts, disbursements, and reconciliations. The bookkeeper is responsible for preparing daily deposits, posting to the receipts ledger, preparing checks, and reconciling the ledgers and the quarterly report to the bank statements. According to the sheriff, the lack of segregation of duties is due to a limited budget which prevents hiring enough staff to adequately separate duties.

Recommendations

We recommend the sheriff adequately segregate the duties and if this is not feasible then implement compensating controls to mitigate the deficiency.

County Officials Response

Sheriff's Response: The Sheriff's Office will strengthen internal controls over the receipts process by separating collection and recording duties. Properly supervised handling of all collection & paperwork.

Finding: The Johnson County Sheriff's Fourth Quarter Financial Statement Was Materially

This is a repeat finding and was included in the prior year audit report as finding 2023-001. The sheriff's fourth quarter financial statement was materially misstated due to the following:

- \$38,649 of tax commission receipts were not included on the quarterly report.
- \$11,600 of various 2024 fee account receipts collected in 2025 were not included on the quarterly report.
- \$12,365 of state payment receipts collected were not included on the quarterly report.

The sheriff did not have proper controls in place for review and reconciliation to ensure that all applicable activity was included in the financial report for the year. As a result, reported receipts on the sheriff's fourth quarter financial statement were materially misstated.

Recommendations

We recommend the sheriff implement controls for proper review and reconciliation to ensure that the financial reports are accurate and reliable.

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.

County Officials Response

Sheriff's Response: The Sheriff's Office will be more precise with accounting code to make sure they are properly coded. We can also have a second person review for accuracy before submitting.

The audit report can be found on the [auditor's website](#).

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