



**Auditor of  
Public Accounts  
Allison Ball**

# Letcher County Sheriff's Fee Account Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball released the audit of the 2024 financial statement of Letcher County Sheriff Billy Jones. 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 Letcher 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: Did not have adequate separation of duties.**

The sheriff's bookkeeper collected payments from customers and prepared receipts, prepared deposits, and posted receipts to the receipts ledger. In addition, the bookkeeper prepared disbursement checks, distributed payroll checks, posted checks to the disbursements ledger, and prepared the monthly bank reconciliations. The sheriff put some controls in place, such as assigning two employees to review and initial daily checkout sheets, and all disbursement checks were signed by two people, one being the sheriff. There was not sufficient evidence available that would show that the sheriff, or another employee, periodically reviewed deposits, ledgers, invoices, or bank reconciliations to offset the risk caused by the lack of segregation of duties.

## **Recommendations**

We recommend that the sheriff's office segregate the duties within his office to adequately protect employees, and prevent inaccurate financial reporting or misappropriation of assets. If this is not possible due to lack of funds, the sheriff's office should implement strong oversight over these areas, either by an employee independent of those functions or by the sheriff. Any oversight or reviews should be evidenced by the individual's signature or initials on the source documentation.

## **County Officials Response**

*Sheriff's Response: I would like to say this will be addressed, however, with the budget that we have there is no way that more personnel can be hired to satisfy this comment. We do the best we can with the personnel we have.*

## **Finding: Did not comply with KRS 65.041 when selling firearms to a deputy.**

The Letcher County Sheriff was not in compliance with KRS 65.041 regarding the disposition of firearms owned by unit of local government. During calendar year 2024, the sheriff sold 35 out-of-service firearms to a deputy who holds a federal firearms license for \$6,895. These proceeds were then used to purchase new firearms from a different dealer. State statute requires the sheriff's department to sell and purchase firearms through the same federal licensed firearms dealer.

## Recommendations

We recommend the sheriff ensure all future firearm sales are conducted in full compliance with KRS 65.041.

## County Officials Response

*Sheriff's Response: The County Attorney was contacted regarding KRS as well as Fiscal Court and all agreed that the guns could be sold to a Firearms Dealer and the money was used for the purchase of the new firearms. We were unaware that they had to be sold to the same dealer that we purchased new guns from. If we have any future firearms transactions they will be handled differently.*

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](#).

