



Auditor of Public Accounts Allison Ball

FOR IMMEDIATE RELEASE

Contact: Joy Pidgorodetska Markland
Joy.Markland@ky.gov
502.352.5216
502.209.2867

Ball Releases Audit of Lincoln County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2022 taxes for Lincoln County Sheriff Shawn Hines. 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 January 1, 2023 through August 31, 2023 in conformity with the regulatory basis of accounting.

The audit contains the following finding:

The Lincoln County Sheriff's Office does not have adequate segregation of duties or proper controls over record keeping: The sheriff's bookkeeper opens mail, collects payments from customers, prepares deposits, writes and signs checks, prepares monthly reports, and prepares bank reconciliations. The sheriff did not prepare either a receipts or disbursements ledger for comparison of deposits, disbursements, reports, and reconciliations. The sheriff had implemented some compensating controls but not always documented. According to the sheriff, his office has a limited number of employees that prevents the segregation of duties over most accounting functions of the office.

We recommend the sheriff's office separate duties involving collection of receipts, preparing deposits, preparing checks, and preparation of bank reconciliations. If this is not feasible due to a limited budget, additional cross-checking procedures or compensating controls should be implemented and documented by the individual performing the review procedure. In addition, we recommend the sheriff prepare required receipt and disbursement ledgers for tax collections.

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.

