



**Auditor of  
Public Accounts  
Allison Ball**

## Marion County Sheriff's Tax Settlement Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2023 taxes for Marion County Sheriff Jimmy Clements. 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: The sheriff's office does not have segregation of duties over receipts and disbursements**

The sheriff's bookkeeper collects payments from customers, prepares deposits, prepares daily collection printouts, and posts to the receipts ledger. In addition, the bookkeeper prepares the monthly tax reports, reconciles monthly tax reports to receipts and disbursements, prepares and signs checks, and prepares the monthly bank reconciliations. The bookkeeper also prepares franchise bills based on the county clerk's assessment, without supervisory review. According to the sheriff, a lack of segregation of duties existed because a limited number of employees were available to properly segregate job duties. A lack of segregation of duties increases the risk of misappropriation of assets, errors, and inaccurate financial reporting to external agencies such as the taxing districts.

### **Recommendations**

We recommend the sheriff's office separate duties over receipts and disbursements. If these duties cannot be separated due to limited staff or limited budget, 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 review.

### **County Officials Response**

*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](https://www.auditor.ky.gov).

