



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Marshall County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Marshall County Sheriff Matt Hilbrecht. 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 Marshall 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 Marshall County Sheriff's Office lacked adequate segregation of duties: The same employee was responsible for collecting money, posting receipts to the ledgers, performing monthly bank reconciliations, and preparing financial reports. Due to limited staff, the sheriff's bookkeeper was required to perform multiple tasks.

We recommend the sheriff's office assign some of the duties to other employees. If that is not feasible, we recommend the sheriff's office implement compensating controls to minimize the risk associated with a lack of segregation of duties.

Sheriff's Response: Due to the number of full time office staff being comprised of two people, this is an area that is almost impossible to be in compliance with. However we have set forth a set of compensating controls that have already taken effect. These procedures will help ensure that there are several oversight processes in place.

The Marshall County Sheriff's Office did not have a written collateral security agreement with the financial institution during the reporting period: The sheriff's office securities pledged to the official's accounts are not valid, resulting in unsecured deposits of \$357,418 as of December 31, 2023. There was a change in official on January 1, 2023, and the collateral security agreement on file expired. The sheriff's deposits were not secured.

We recommend the sheriff enter a written agreement with the depository institution to secure the sheriff's interest in the collateral pledged or provided by the depository institution.

Sheriff's Response: The Sheriff's Office signed a written collateral security agreement with our financial institution on August 20th, 2024. The bank did not notify me when I opened up my new accounts in 2023 that we needed this additional coverage. However, coverage now is in place.

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.

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

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