



Auditor of Public Accounts Allison Ball

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Ball Releases Audit of Ohio County Sheriff's Fee Account

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Ohio County Sheriff Adam Wright. 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 Ohio 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 finding:

The Ohio County Sheriff's Office does not have segregation of duties over accounting records and financial reporting: The sheriff's bookkeeper prepares all accounting records and the quarterly financial reports that are required to be submitted to the Department for Local Government (DLG). There was no documented oversight or review of the accounting records or financial reports. The following issues were noted for 2023: the second, third, and fourth quarterly financial reports were not received by DLG when required. Additionally, the fourth quarter financial report was materially misstated. Receipts were overstated by \$68,793.

We recommend the Ohio County Sheriff's Office segregate duties over financial recording and reporting. If duties cannot be segregated, the sheriff should implement compensating controls to determine that the information recorded and reported is correct before submitting it to DLG and other regulatory bodies. We also recommend the sheriff monitor the submission of quarterly financial reports to ensure the quarterly financial reports are submitted timely.

Sheriff's Response: The Ohio County Sheriff's Office always had their Quarterly Fee Reports approved by the Ohio County Fiscal Court and signed by the Ohio County Judge Executive. The reports are sent to DLG after these steps are completed. The Ohio County Sheriff's Office will now send the Quarterly Report to DLG within 30 days after the quarter has ended with only the Sheriff's signature. We will still have the Fiscal Court approve the report and have the Ohio County Judge Executive sign the report for our records.

While disbursing the 2023 October Board of Education Property Taxes, the refund amount was used instead of the commission amount to add back their amount due. This caused their check to be short by \$68,793 and the Ohio County Sheriff's Office was paid too much. This error was discovered by the office manager and another tax clerk 4 business days later. This error was corrected the same day by the fee account refunding the property tax account those funds. We then wrote the Board of Education a check for the difference. While preparing the Fee Account Quarterly Report, this was documented as a refund as it was refunded to the Property Tax Account. We assumed it would have to be documented in the Fee Account Quarterly Report as the report is supposed to reflect the actual receipts and transactions that were made during that timeframe. It was told to us that it was put in the incorrect box on the report. It should have been manually deducted from the commission box instead of it being considered as a refund. This error did not cause us to misstate the total quarterly/yearly amount but the total commissions the Sheriff's Office received.

Auditor's Reply: The lack of segregation of duties at the Ohio County Sheriff's Office allowed commission overpayment to occur. Commissions on the fourth quarter financial statement were materially overstated due to this error. The refund was not included in the fourth quarter financial statement disbursements total. An adequate review of the financial statement submitted to the Department for Local Government should have caught these errors.

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](#).

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