



**Auditor of
Public Accounts
Allison Ball**

Powell County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2023 taxes for Powell County Sheriff Danny Rogers. 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 Powell County Sheriff's Office Does Not Have Adequate Segregation Of Duties

This is a repeat finding and was included in the prior year audit report as finding 2022-001. The sheriff's office does not have adequate segregation of duties. A lack of segregation or strong compensating controls could have resulted in undetected misappropriation of assets and inaccurate financial reporting to external agencies such as the Department of Revenue and other taxing districts. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

Recommendations

We recommend the sheriff separate the duties involved in receiving cash, preparing deposits, writing checks, posting to ledgers, preparing monthly bank reconciliations, and comparing financial reports to ledgers. If this is not feasible due to budgetary constraints, cross checking procedures could be implemented and documented by the individual performing the procedure.

County Officials Response

Sheriff's Response: Will continue to try to prepare a better list of duties.

Finding: The Powell County Sheriff Did Not Have Adequate Internal Controls In Place To Ensure Guidelines For Penalty and Add-on Fee Waivers Were Followed And Did Not Apply Discounts Properly

This is a repeat finding and was included in the prior year audit report as finding 2022-002. The Powell County Sheriff did not have adequate internal controls in place to ensure compliance with the proper guidelines for granting penalty and add-on fee waivers to certain taxpayers. Additionally, the sheriff applied discounts to collections that did not meet the criteria to receive a discount. Finally, the sheriff failed to maintain proper documentation of waiver forms.

Recommendations

We recommend the sheriff establish internal control procedures and implement proper oversight to ensure the requirements of KRS 131.175 and KRS 134.015 are followed. This finding is being referred to the Kentucky Office of the Attorney General and the Kentucky Department of Revenue for further review.

County Officials Response

Sheriff's Response: My staff will try to prepare the necessary paperwork for waivers.

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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