



**Auditor of  
Public Accounts  
Allison Ball**

## Rockcastle County Sheriff's Tax Settlement Audit

**FRANKFORT, Ky.** – State Auditor Allison Ball today released the audit of the sheriff's settlement – 2023 taxes for Rockcastle County Sheriff Shannon Franklin. 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 lacks adequate segregation of duties over receipts and disbursements**

The sheriff has two bookkeepers. One bookkeeper is responsible for opening mail and writing checks. The second bookkeeper, who is part-time, is responsible for posting receipts and disbursements to the ledgers as well as preparing the bank reconciliation. Both bookkeepers collect receipts, prepare bank deposits, prepare the daily tax report, and can initiate voided transactions in the computerized tax system.

### **Recommendations**

We recommend the sheriff's office separate the duties of collecting taxes, preparing daily deposits, preparing and mailing disbursements, and preparing financial reports. If this is not feasible due to a lack of staff, then strong oversight over these areas should occur and involve an employee who isn't currently performing any of these functions. Additionally, the sheriff's office could implement compensating controls by providing oversight and documenting the oversight on the appropriate source documents.

### **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).

