



**Auditor of
Public Accounts
Allison Ball**

Trimble County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Trimble County Sheriff Charles Kelton. 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: Lacks segregation of duties over receipts and disbursements.

The sheriff deputies and bookkeeper can collect money. The bookkeeper prepares the daily collection report, deposit ticket, takes the deposit to the bank, prepares monthly reports, prepares and signs checks, and prepares the bank reconciliation. Ledgers are not prepared; however, the bookkeeper agrees the deposits on the bank statement to the daily tax system reports and compares the disbursement checks on the monthly tax system reports to the bank statement. There was no documentation of review that indicated an independent employee reviewed documents.

Recommendations

We recommend the sheriff's office segregate control duties over receipts and disbursements or implement compensating controls to offset the lack of segregation of duties. Examples of compensating controls the sheriff could implement include reconciling the receipts and disbursements ledgers to the bank balance on a monthly basis that is evidenced by initials on the ledgers and bank statements, comparing the bank deposit ticket, receipts, and daily cash drawer reports, and compare the monthly tax report to the disbursements check and sign the check as a second signature.

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).

