



**Auditor of
Public Accounts
Allison Ball**

Wolfe County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Wolfe County Sheriff Greg Banks. 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, 2023 in conformity with the regulatory basis of accounting.

Finding: Does not have adequate segregation of duties.

The sheriff's office does not have adequate segregation of duties. A control deficiency occurs when someone has custody over assets and the responsibility of recording financial transactions. The sheriff has delegated the responsibilities of collecting, depositing, and recording all receipts and preparing/recording all checks to the bookkeeper. In addition, the bookkeeper prepares all bank reconciliations.

Recommendations

We recommend the sheriff adequately segregate the functions of receiving, recording, and reconciling transactions to separate individuals. If this is not possible due to small staff size, the sheriff can implement and document compensating controls in order to limit the potential impact of inadequate segregation of duties. Examples of these compensating controls include:

- The sheriff or his designee should compare the daily bank deposit to the daily checkout sheet, and then compare the daily checkout sheet to the receipt ledger.
- The sheriff or his designee should compare the monthly financial reports to the receipt and disbursement ledgers for accuracy.
- The sheriff or his designee should periodically compare the amounts due to districts per the monthly reports to the payments to the taxing districts.
- The sheriff or his designee should periodically compare the monthly bank reconciliation to the balance in the checkbook and to the ledgers.

County Officials Response

Sheriff's Response: The Sheriff will review items to produce a better segregation of duties.

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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