



**Auditor of
Public Accounts
Allison Ball**

Wolfe County Sheriff's Fee Account Audit

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2024 financial statement of 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 financial statement presents fairly the receipts, disbursements, and excess fees of the Wolfe 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.

Finding: Lacks 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 recording all receipts and preparing/recording all checks to the bookkeeper. In addition, the bookkeeper prepares all bank reconciliations. The sheriff's failure to adequately separate these duties increases the risk of errors and misstatements can occur, either accidental or intentional, and not be detected in a reasonable time period.

Recommendations

We recommend the sheriff adequately segregate the functions of 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 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 quarterly financial reports to the receipt and disbursement ledgers for accuracy.
- The sheriff or his designee should periodically compare the monthly bank reconciliation to the balance in the checkbook and to the ledgers.

All compensating controls should be documented by initialing and dating the source documentation.

County Officials Response

Sheriff's Response: The Sheriff will begin checking daily checkout sheets compared to daily deposited and review monthly bank statements.

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](#).

