



Auditor of Public Accounts
Adam H. Edelen

FOR IMMEDIATE RELEASE

Contact: **Stephenie Hoelscher**
stephenie.hoelscher.ky.gov
502.564.5841
502.209.2867

Edelen Releases Audit of Carroll County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the sheriff's settlement – 2014 taxes for Carroll County Sheriff Jamie Kinman. 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.

Recent changes in auditing standards require the auditor's letter to communicate whether the sheriff's settlement presents fairly the taxes charged, credited and paid of the Carroll County Sheriff in accordance with generally accepted accounting principles in the United States. 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 audit found that the sheriff's financial statement fairly presents the taxes charged, credited and paid, for the period, April 16, 2014 through April 15, 2015 in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

The Sheriff's office lacks adequate segregation of duties over tax receipts. The Sheriff's office lacks adequate segregation of duties over tax receipts because the bookkeeper collects cash, prepares deposit tickets, takes deposits to the bank, and posts receipts to the ledger. The Sheriff has assigned another office staff person to compare daily tax collection cash and check totals to the deposit ticket before it is taken to the bank; however, this review process has not

been documented. Proper segregation of duties over receipts is essential for providing protection against asset misappropriation and/or inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities. To adequately protect employees in the normal course of performing their assigned functions and to protect the Sheriff against asset misappropriation and/or inaccurate financial reporting, we recommend the Sheriff separate the duties in preparing and depositing receipts, recording transactions, and preparing reports and bank reconciliations. If these duties cannot be segregated, strong oversight should be provided over the responsible employee. The employee providing oversight should document their review by initialing source documents.

Sheriff's response: None.

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](#).

###

The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

Call 1-800-KY-ALERT or visit our website to report suspected waste and abuse.

