



Auditor of Public Accounts
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Harmon Releases Audit of Former Bath County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2018 taxes for former Bath County Sheriff John "Tuffy" Snedegar. 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 former 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 former sheriff's settlement is prepared on the regulatory basis, which is described in the auditor's opinion letter. Regulatory basis reporting for the former 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 April 17, 2018 through January 6, 2019 in conformity with the regulatory basis of accounting.

As part of the audit process, the auditor must comment on noncompliance 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 former Bath County Sheriff's tax settlement was materially misstated: The former Bath County Sheriff's tax settlement was materially misstated by \$214,707 due to not reporting franchise tax collections and distributions for the ambulance and fire districts. The former sheriff's county settlement when prepared did not include the ambulance and fire districts franchise collections for the 2018 tax year. Furthermore, the former sheriff did not ensure the tax settlement was complete and accurate prior to submitting it to the fiscal court for approval. As a result, the

former sheriff's settlement presented and approved by the fiscal court was not a complete and accurate reporting of taxes collected as of January 6, 2019. The former sheriff approved an audit adjustment to correct the discrepancies.

According to KRS 134.215 (3), "[e]ach outgoing sheriff shall make a final settlement with the department, the fiscal court and all districts for which his or her office collected taxes by March 15 immediately following the expiration of his or her term of office. The settlement shall address all charges of taxes made against the sheriff and all money received by him or her as sheriff, and shall include all of the information required for an annual settlement pursuant to KRS 134.192." KRS 134.192(5) states, "[t]he settlement shall show the amount of ad valorem tax collected for the county, the school district, and all taxing districts, and an itemized statement of the money disbursed to or on behalf of the county, the school district, and all taxing districts." The former sheriff should have reviewed the tax settlement to determine if it was complete and accurate by comparing it to supporting documentation such as the monthly tax reports.

Former Sheriff's Response: We will look over local settlement and let new Sheriff know.

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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