



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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2015 taxes for Campbell County Sheriff Mike Jansen. 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 April 16, 2015 through April 15, 2016 in conformity with the regulatory 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 lacked controls over the 911 service fee and did not provide adequate oversight. The 911 service fee originated with the enactment of county ordinance O-04-13 for the purpose of providing additional funding for the operation of enhanced 911 emergency services. These 911 service fees were placed on the Campbell County property tax bills, to be collected by the sheriff and disbursed to the Campbell County Consolidated Dispatch Board.

The 911 service fee was not included on the sheriff's official receipt or the 2015 tax settlement. This resulted in a material adjustment to the sheriff's 2015 tax settlement.

The sheriff's tax software did not maintain documentation for paid and unpaid 911 service fees. The finance director printed a report detailing the amount of 911 fees to be collected. He prepared a ledger from the daily collections of 911 fees to ensure that he could maintain proper accounting for disbursements.

KRS 134.192 requires an annual settlement of tax collections by sheriff and KRS 134.191 requires monthly reporting and payment of taxes collected by sheriff including "the total amount of any fines, forfeitures, or other moneys collected[.]"

We recommend the sheriff immediately implement internal controls over the handling of the 911 service fee. We further recommend the following:

- The sheriff should include taxes and fees charged on the tax bills on the settlement.
- The sheriff/fiscal court should implement software adjustments to be able to provide all information related to the 911 service fee.

Sheriff's Response: The above has been corrected with the implementation of new tax accounting software.

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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