



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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2020 taxes for former Webster County Sheriff Frankie Springfield. 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 former sheriff's financial statement fairly presents the taxes charged, credited and paid for the period May 16, 2020 through December 31, 2020 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 Webster County Sheriff's tax settlement was materially misstated: The former Webster County Sheriff's tax settlement, for the period May 16, 2020 through December 31, 2020, was materially inaccurate. The former sheriff's settlement was overstated by the following:

- Franchise taxes of \$283,833
- Discounts of \$1,017
- Tax commissions of \$10,856
- Taxes paid of \$272,887

The settlement also did not include unpaid ditch taxes of \$1,305, as a transfer of ditch taxes was not made to the incoming sheriff upon the former sheriff's retirement.

This was due to an error when preparing the tax settlements that were presented to fiscal court. The franchise and ditch tax settlements that were approved by the fiscal court included taxes that were collected by the incoming sheriff in 2021. 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 December 31, 2020.

KRS 134.215(3) states, "[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 the annual settlement pursuant to KRS 134.192." KRS 134.192(5) states, in part, "[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." Additionally, good internal controls dictate a review of the settlements by the former sheriff.

The former sheriff should have presented separate settlements for the franchise and ditch tax collections that occurred while he was sheriff. A proper transfer of ditch taxes to the incoming sheriff should also have been made.

Former County Sheriff's Response: We are aware and will correct if 2 different sheriffs serve in same collection year.

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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