



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

FRANKFORT, Ky. – State Auditor Mike Harmon today released the audit of the sheriff's settlement – 2019 taxes for Todd County Sheriff Tracy White. 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, 2019 through May 15, 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 Todd County Sheriff has not settled the 2016 or 2018 tax accounts: The Todd County Sheriff did not collect or disburse any of the items required from his 2016 or 2018 determination of fund balances. The amounts due to and from districts from the 2016 and 2018 tax year are still outstanding. Due to a lack of oversight, the determination of fund balances were not settled. By not completing the determination of fund balance, taxing districts and taxpayers have not received refunds in a timely manner. This could affect the taxing districts budgeting procedures.

Strong internal controls require management to monitor tax year settlements and collect or disburse any amounts due in a timely manner. In addition, KRS 134.192(1) states in part, “[e]ach sheriff shall annually settle his or her accounts with the department, the county, and any district for which the sheriff collects taxes on or before September 1 of each year...The annual settlement of the sheriff shall be audited in accordance with KRS 43.070 and 64.810.”

We recommend the sheriff settle his 2016 and 2018 tax accounts by collecting and disbursing amounts due on the determination of fund balances.

County Sheriff's Response: This was an oversight and will be completed.

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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