



**Auditor of
Public Accounts
Allison Ball**

Bath County Sheriff's Tax Settlement Audit

FRANKFORT, Ky. – State Auditor Allison Ball today released the audit of the sheriff's settlement 2023 taxes for Bath County Sheriff Jessie Stewart. 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 September 1, 2023 through August 31, 2024 in conformity with the regulatory basis of accounting.

Finding: Collected taxes prepared using the incorrect rate for the Bath county health district.

The Bath County Sheriff's Office collected taxes prepared using the incorrect tax rate for the Bath County Public Health District. The Bath County Clerk's Office prepared the property tax bills for the 2023 tax year using the rate of 9% for the health district instead of the correct rate of 7%. The sheriff's office did not discover the error until after the tax year had concluded. This resulted in the sheriff's office collecting a combined \$92,954 in extra taxes. Though the sheriff's office were not responsible for creating the tax bills, due to a lack of control over the collections process, the error was not caught when the sheriff's office reviewed the bills. Due to this error, the health district and the sheriff's fee account were overpaid, and taxpayers were overcharged.

Recommendations

We recommend the Bath County Sheriff collect the amount overpaid to the health district and fee account and refund the taxpayers for their overpayments. In addition, we recommend the sheriff have multiple employees check the tax bills once they are prepared and compare the rates to the forms sent in by the districts to ensure they are free from errors.

County Officials Response

Sheriff's Response: Myself and office staff will look closer at the tax rates that are turned in to the clerk's office.

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](https://www.auditor.ky.gov).

