

**REPORT OF THE AUDIT OF THE
FORMER CRITTENDEN COUNTY
SHERIFF'S SETTLEMENT - 2022 TAXES**

**For The Period
September 1, 2022 Through December 31, 2022**



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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

To the People of Kentucky

The Honorable Andy Beshear, Governor

Holly M. Johnson, Secretary

Finance and Administration Cabinet

The Honorable Perry Newcom, Crittenden County Judge/Executive

The Honorable Wayne Agent, Former Crittenden County Sheriff

The Honorable Evan Head, Crittenden County Sheriff

Members of the Crittenden County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying former Crittenden County Sheriff's Settlement - 2022 Taxes for the period September 1, 2022 through December 31, 2022 - Regulatory Basis, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement presents fairly, in all material respects, the taxes charged, credited, and paid for the period September 1, 2022 through December 31, 2022 of the former Crittenden County Sheriff, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the taxes charged, credited, and paid of the former Crittenden County Sheriff, for the period September 1, 2022 through December 31, 2022.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Audit Program for Sheriffs' Tax Settlements*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the former Crittenden County Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the People of Kentucky

The Honorable Andy Beshear, Governor

Holly M. Johnson, Secretary

Finance and Administration Cabinet

The Honorable Perry Newcom, Crittenden County Judge/Executive

The Honorable Wayne Agent, Former Crittenden County Sheriff

The Honorable Evan Head, Crittenden County Sheriff

Members of the Crittenden County Fiscal Court

Basis for Opinions (Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the former Crittenden County Sheriff on the basis of accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not an absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the former Crittenden County Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the former Crittenden County Sheriff's ability to continue as a going concern for a reasonable period of time.

To the People of Kentucky

The Honorable Andy Beshear, Governor

Holly M. Johnson, Secretary

Finance and Administration Cabinet

The Honorable Perry Newcom, Crittenden County Judge/Executive

The Honorable Wayne Agent, Former Crittenden County Sheriff

The Honorable Evan Head, Crittenden County Sheriff

Members of the Crittenden County Fiscal Court

Auditor's Responsibilities for the Audit of the Financial Statement (Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2023, on our consideration of the former Crittenden County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the former Crittenden County Sheriff's internal control over financial reporting and compliance.

Based on the results of our audit, we have presented the accompanying Schedule of Findings and Responses, included herein, which discusses the following report findings:

- 2022-001 The Former Crittenden County Sheriff's Office Lacked Adequate Segregation Of Duties
- 2022-002 The Former Crittenden County Sheriff Failed To Present A Settlement To The Fiscal Court By March 15
- 2022-003 The Former Crittenden County Sheriff Failed To Properly Settle Tax Collections For The 2021 Tax Year
- 2022-004 The Former Crittenden County Sheriff Did Not Distribute Property Tax Collections By The Tenth Of The Month
- 2022-005 The Amount Of Unpaid Taxes Transferred To The Incoming Sheriff Was Significantly Understated

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

October 20, 2023

CRITTENDEN COUNTY
WAYNE AGENT, FORMER SHERIFF
SHERIFF'S SETTLEMENT - 2022 TAXES

For The Period September 1, 2022 Through December 31, 2022

	Special Taxing			
	County	Districts	School	State
<u>Charges</u>				
Real Estate	\$ 451,004	\$ 642,640	\$ 1,905,104	\$ 447,116
Tangible	22,377	24,715	88,426	74,106
Fire Dues		94,230		
Fire Protection	1,890			
Total Per Sheriff's Official Receipt	<u>475,271</u>	<u>761,585</u>	<u>1,993,530</u>	<u>521,222</u>
<u>Other Taxes & Charges</u>				
Court Ordered Increases				6
Franchise Taxes	<u>19,761</u>	<u>20,763</u>	<u>79,042</u>	
Gross Chargeable to Sheriff	495,032	782,348	2,072,572	521,228
<u>Credits</u>				
Exonerations	1,289	1,717	5,439	1,305
Discounts	7,620	9,363	31,991	8,461
Transfer to Incoming Sheriff	42,876	80,400	180,411	42,996
Additional Amount Transferred To Incoming Sheriff	<u>5,141</u>	<u>7,419</u>	<u>21,579</u>	<u>5,350</u>
Total Credits	56,926	98,899	239,420	58,112
Taxes Collected	438,106	683,449	1,833,152	463,116
Less: Sheriff's Commissions*	<u>18,620</u>	<u>23,995</u>	<u>73,326</u>	<u>19,682</u>
Taxes Due Districts	419,486	659,454	1,759,826	443,434
Taxes Paid	411,052	646,060	1,723,643	435,091
Additional Taxes Paid	6,446	11,250	26,874	6,314
Refunds (Current and Prior Year)	<u>1,397</u>	<u>1,450</u>	<u>5,890</u>	<u>1,408</u>
Taxes Due Districts	<u>\$ 591</u>	<u>\$ 694</u>	<u>\$ 3,419</u>	<u>\$ 621</u>

**

* and ** See next page.

The accompanying notes are an integral part of this financial statement.

CRITTENDEN COUNTY
 WAYNE AGENT, FORMER SHERIFF
 SHERIFF'S SETTLEMENT - 2022 TAXES
 For The Period September 1, 2022 Through December 31, 2022
 (Continued)

* Commissions:

4.25% on	\$	1,360,172
4% on	\$	1,833,152
2% on	\$	224,499

** Special Taxing Districts:

Library District	\$	255
Health District		179
Extension District		181
E-911		108
Crittenden VFD		(1)
Caldwell Springs VFD		(29)
Salem VFD		1
		<hr/>

Due Districts or (Refunds Due Sheriff)	\$	<u>694</u>
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CRITTENDEN COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2022

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

The sheriff's office tax collection duties are limited to acting as an agent for assessed property owners and taxing districts. A fund is used to account for the collection and distribution of taxes. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

B. Basis of Accounting

The financial statement has been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework. Basis of accounting refers to when charges, credits, and taxes paid are reported in the settlement statement. It relates to the timing of measurements regardless of the measurement focus.

Charges are sources of revenue which are recognized in the tax period in which they become available and measurable. Credits are reductions of revenue which are recognized when there is proper authorization. Taxes paid are uses of revenue which are recognized when distributions are made to the taxing districts and others.

C. Cash and Investments

KRS 66.480 authorizes the sheriff's office to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

D. Preparation of State Settlement

The Kentucky Department of Revenue prepares the settlement relating to taxes collected for the state under the provision of KRS 134.192(2)(a). This is reported as the "State Taxes" column on the financial statement.

Note 2. Deposits

The former Crittenden County Sheriff maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

CRITTENDEN COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2022
(Continued)

Note 2. Deposits (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the sheriff's deposits may not be returned. The former Crittenden County Sheriff did not have a deposit policy for custodial credit risk, but rather followed the requirements of the *DLG County Budget Preparation and State Local Finance Officer Policy Manual*. As of December 31, 2022, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Tax Collection Period

A. Property Taxes

The real and personal property tax assessments were levied as of January 1, 2022. Property taxes were billed to finance governmental services for the fiscal year ending June 30, 2023. Liens are effective when the tax bills become delinquent. The collection period for these assessments was September 28, 2022 through December 31, 2022.

B. Franchise Taxes

The franchise tax assessments were levied by the Department of Revenue for various tax years. Franchise taxes are billed to finance governmental services. Liens are effective when the tax bills become delinquent. The collection period for these assessments was September 1, 2022 through December 31, 2022.

Note 4. Interest Income

The former Crittenden County Sheriff earned \$564 as interest income on 2022 taxes. As of October 20, 2023, the former sheriff owed \$174 in interest to the school district and \$123 in interest to his fee account.

Note 5. Subsequent Events

The former sheriff retired on December 31, 2022 and a new sheriff was elected beginning his term on January 1, 2023.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

The Honorable Perry Newcom, Crittenden County Judge/Executive
The Honorable Wayne Agent, Former Crittenden County Sheriff
The Honorable Evan Head, Crittenden County Sheriff
Members of the Crittenden County Fiscal Court

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the former Crittenden County Sheriff's Settlement - 2022 Taxes for the period September 1, 2022 through December 31, 2022 - Regulatory Basis and the related notes to the financial statement and have issued our report thereon dated October 20, 2023. The former Crittenden County Sheriff's financial statement is prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the former Crittenden County Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the former Crittenden County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the former Crittenden County Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2022-001, 2022-002, 2022-003 and 2022-004 to be material weaknesses.



Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2022-005 to be a significant deficiency.

Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the former Crittenden County Sheriff's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2022-002, 2022-003, and 2022-004.

Views of Responsible Official and Planned Corrective Action

The former Crittenden County Sheriff's views and planned corrective action for the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The former Crittenden County Sheriff's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

October 20, 2023

SCHEDULE OF FINDINGS AND RESPONSES

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CRITTENDEN COUNTY
WAYNE AGENT, FORMER SHERIFF
SCHEDULE OF FINDINGS AND RESPONSES

For The Period September 1, 2022 Through December 31, 2022

FINANCIAL STATEMENT FINDINGS:

2022-001 The Former Crittenden County Sheriff's Office Lacked Adequate Segregation Of Duties

This is a repeat finding and was included in the prior year audit report as finding 2021-002. The former Crittenden County Sheriff's office lacked adequate segregation of duties and did not have proper internal controls in place over the tax collection process. The same employee was required to perform multiple tasks such as: collecting taxes from customers, preparing deposits, reconciling the bank accounts, processing monthly reports, and preparing and signing checks for tax distributions. No reviews of this employee's work were documented.

The former sheriff failed to implement any internal control procedures or provide adequate oversight of the financial operations of the sheriff's office. A lack of segregation of duties with little to no oversight increases the risk that errors or fraud could occurred and not been detected.

Segregation of duties, or the implementation of compensating controls when limited by the number of staff, is essential for providing protection against the misappropriation of assets and inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

We recommend the Crittenden County Sheriff's office segregate the duties noted above by allowing different employees to perform these functions. However, if those duties cannot be segregated due to a limited staff, strong management oversight by the sheriff or designee should be performed. This oversight should include reviewing daily checkout sheets and deposits, reviewing monthly tax reports, and reviewing the monthly bank reconciliations. Documentation, such as the sheriff's or a designee's initials or signature should be provided on those items that are reviewed. Dual signatures should also be required on all checks.

Former Sheriff's Response: Employee shortage wasn't able to hire because of funding.

2022-002 The Former Crittenden County Sheriff Failed To Present A Settlement To The Fiscal Court By March 15

The former Crittenden County Sheriff failed to present a tax settlement to fiscal court timely. The tax settlement should have been presented to fiscal court by March 15, 2023, however the settlement was not presented to the fiscal court until August 24, 2023, which is five months late.

According to the former sheriff, he was not aware that a tax settlement was due by March 15, instead of by September 1. The former sheriff was not in compliance with KRS 134.215.

KRS 134.215(3) states, "[e]ach outgoing sheriff shall make 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."

We recommend the sheriff's office present the settlement by March 15 in the future.

Former Sheriff's Response: Settlement wasn't prepared because of turning over office to the new sheriff.

CRITTENDEN COUNTY
 WAYNE AGENT, FORMER SHERIFF
 SCHEDULE OF FINDINGS AND RESPONSES
 For The Period September 1, 2022 Through December 31, 2022
 (Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2022-003 The Former Crittenden County Sheriff Failed To Properly Settle Tax Collections For The 2021 Tax Year

The former Crittenden County Sheriff failed to settle his 2021 tax collections. The sheriff has previously failed to settle prior year accounts which was noted in finding 2021-001. At the conclusion of each audit, the sheriff is provided a detailed breakdown of the amounts due to the sheriff's office and amounts the sheriff's office owes in order to close out each tax year. However, the former sheriff has not taken proper action to settle these accounts before leaving office.

The former sheriff did not ensure all prior year tax collections were properly settled. Because the former sheriff has failed to settle property taxes associated with the 2021 tax year, amounts due to taxpayers and taxing districts have not been paid, resulting in the former sheriff not being in compliance with state regulations.

KRS 134.192(1) states, "[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." Additionally, KRS 134.192(7) states, "[o]n the final settlement, the sheriff shall pay to the county treasurer all money that remains in his or her hands attributable to amounts charged against the sheriff relating to the collection of property taxes, and shall take receipts as provided in KRS 134.160. The sheriff shall pay any additional amounts charged against him or her as a result of the settlement."

Effective internal controls should be in place to ensure compliance with state regulations and that all tax years have been properly settled.

We recommend the former sheriff settle taxes associated with the 2021 tax year by collecting receivables and paying liabilities as outlined with documentation provided to him.

Former Sheriff's Response: Have been settled.

2022-004 The Former Crittenden County Sheriff Did Not Distribute Property Tax Collections By The Tenth Of The Month

The former sheriff did not distribute property tax collections timely. Tax distributions for December 2022 of \$50,884 were distributed six months late.

This is a result of poor internal controls and lack of oversight over tax collections and distributions. The taxing districts rely on these tax collections to provide public services, and these services could suffer due to not receiving the proper amount of tax collections timely.

KRS 134.191(1) states, "[t]he sheriff shall provide monthly reports by the tenth day of each month to the chief executive of the county, the department, and any other district for which the sheriff collects taxes."

Furthermore, KRS 134.191(3) states, "[a]t the time of making the report, the sheriff shall pay to the county treasurer or other officer designated by the governing body of a county, to the department, and to any other district for which the sheriff collects taxes, all funds belonging to the county, the state, or the district that were collected during the period covered by the report."

CRITTENDEN COUNTY
 WAYNE AGENT, FORMER SHERIFF
 SCHEDULE OF FINDINGS AND RESPONSES
 For The Period September 1, 2022 Through December 31, 2022
 (Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2022-004 The Former Crittenden County Sheriff Did Not Distribute Property Tax Collections By The Tenth Of The Month (Continued)

Additionally, good internal controls dictate that all tax collections be paid over monthly to the appropriate taxing districts.

We recommend that all tax collections be distributed by the tenth day of the month following the collection to be in compliance with KRS 134.191.

Former Sheriff's Response: Wasn't aware that the out going sheriff had deadline of the 10th.

2022-005 The Amount Of Unpaid Taxes Transferred To The Incoming Sheriff Was Significantly Understated

The official receipt of partially paid taxes transferred from the outgoing sheriff to the incoming sheriff was understated by \$39,489. Property tax bills post-dated for December 2022 were not processed and marked paid in tax software until January 3, 2023. With the incoming sheriff taking office on January 1, 2023, these tax bills were included on the January 2023 monthly report instead of being processed on the outgoing sheriff's monthly report. However, the official receipt of partially paid taxes transferred from the outgoing sheriff was calculated using a delinquent tax report dated as of January 5, 2023 and did not include the post-dated tax bills processed on January 3.

According to the former sheriff, the Department of Revenue assisted in preparing the transfer of taxes form and that there was no mention of the handling of these tax bills.

Due to the timing of these reports and the preparation of the taxes transfer, the official receipt of partially paid taxes transferred from the outgoing sheriff was not prepared accurately.

KRS 134.215(2)(b) states, "[t]he outgoing sheriff shall take a receipt from the incoming sheriff for the unpaid and partially paid tax claims. This receipt shall show in detail for each unpaid and for each partially paid tax claim the total amount due each taxing district as reflected on the tax claims."

Good internal controls should include procedures to ensure the correct reports are being used to calculate the unpaid taxes to be transferred.

We recommend the Crittenden County Sheriff's office ensure that tax bills are marked paid in the tax software in a timely manner. In addition, we recommend the sheriff's office use the correct reports when preparing the official receipt in the future.

Former Sheriff's Response: I wasn't in office at the time, but everything has been settled.