

**GENERAL GOVERNMENT**  
**Auditor of Public Accounts**  
**(Amendment)**

**45 KAR 1:030. Audits of sheriffs' tax settlements.**

RELATES TO: KRS 43.070, 43.075, 64.810, 68.210

STATUTORY AUTHORITY: KRS 43.075

NECESSITY, FUNCTION, AND CONFORMITY: KRS 43.075 requires the Auditor of Public Accounts to promulgate administrative regulations developing uniform standards and procedures for conducting, and uniform formats for reporting, audits of counties and elected county officials. This administrative regulation establishes the auditing standards, procedures, and formats for sheriffs' tax settlement audits.

Section 1. Definition. "Generally accepted government auditing standards" means the "Government Auditing Standards" issued by the Comptroller General of the United States.

Section 2. Auditing Standards, Procedures, and Formats. The financial and compliance audit of the funds contained in each sheriff's tax settlement shall be conducted and reported in accordance with:

- (1) Generally accepted auditing standards, referenced in 201 KAR 1:290;
- (2) Generally accepted government auditing standards, referenced in 201 KAR 1:290; and
- (3) The "Audit Program for Sheriffs' Tax Settlements," issued by the Auditor of Public Accounts, September 26, 2022.

Section 3. Auditor's Independent Judgment. The requirements of this administrative regulation shall not be interpreted in a manner that restricts the independent judgment of a certified public accountant or the Auditor of Public Accounts.

Section 4. Audit Objective.

- (1) The primary objective of an audit of a sheriff's tax settlement shall be an audit report that provides an opinion on whether the financial statement of a sheriff's tax settlement presents fairly, in all material respects, the taxes charged, credited, and paid during the tax year.
- (2) An auditor shall make tests sufficient to determine whether:
  - (a) The sheriff has complied with the requirements of the uniform system of accounts adopted under KRS 68.210;
  - (b) Receipts have been accurately recorded by source;
  - (c) Expenditures have been accurately recorded by payee; and
  - (d) The sheriff has complied with all other legal requirements relating to the management of public tax funds by his or her office.

Section 5. Allowance of Audit Fees; Acceptance of Report.

- (1) Fees for sheriffs' tax settlement audits shall be allowable as reasonable and necessary expenses of a county or county fee official if the independent accountant's audit has been performed and reported in compliance with the standards, procedures, and formats promulgated by this administrative regulation.
- (2) A sheriff shall obtain written approval of an audit report from the Auditor of Public Accounts prior to the:
  - (a) Release of an audit report; and
  - (b) Payment of fees for a sheriff's tax settlement audit report.
- (3) Failure by an independent certified public accountant to comply with the "Audit Program for Sheriff's Tax Settlements" and this administrative regulation, shall disqualify

him from conducting sheriff's tax settlement audits.

Section 6. Incorporation by Reference.

(1) The "Audit Program for Sheriffs' Tax Settlements," Auditor of Public Accounts, September 26, 2022, is incorporated by reference.

(2) This document may be inspected, copied, or obtained, subject to applicable copyright law, at the office of the Auditor of Public Accounts, 209 Saint Clair Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 5:00 p.m.

(18 Ky.R. 1692; 2195; eff. 1-10-1992; 22 Ky.R. 1325; 3-7-1996; 31 Ky.R. 785; 1049; eff. 1-4-2005; 33 Ky.R. 2-2-2007; 44 Ky.R. 258; eff. 11-3-2017; 49 Ky.R. 1473; eff. 7-5-2023.)

*MIKE HARMON, Auditor*

APPROVED BY AGENCY: December 14, 2022

FILED WITH LRC: December 14, 2022 at 2:20 p.m.

**PUBLIC HEARING AND COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on February 21, 2023, at 10:00 a.m. Eastern Time at the office of the Auditor of Public Accounts, 209 St. Clair Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through February 28, 2023. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:** Graham Gray, General Counsel, Auditor of Public Accounts, 209 St. Clair Street, Frankfort, Kentucky 40601; phone 502-209-2870; fax 502-564-2912; e-mail [Graham.Gray@ky.gov](mailto:Graham.Gray@ky.gov).