



Pennington County Auditor's Office
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DATE: October 9, 2019
TO: Pennington County Board of Commissioners
FROM: Cindy Mohler, Auditor
RE: IRS Audit

I have received the Summary of Employment Tax Examination report. Deposit penalties have been assessed for failing to deposit and failing to pay withholding tax resulting from the regular monthly draw amounts during the examination period. The amount assessed is \$87,140.63.

I sent the report over to Jennifer Konvalin, a CPA at Ketelthorstenon LLP for review to see if there may be grounds for appeal. There are no grounds for appealing but she did advise that there is the possibility of getting a year of the penalties abated. I have written to the examiner and requested an abatement of one year of the penalties.

Other items that the examiner looked at are use of county vehicles, clothing policies, housing allowance, and cell phone stipends. There were no issues with these areas but the examiner advised that the County have a more defined cell phone policy. A new policy is currently being drafted.

I would request the following motion to pay the penalties:

MOTION: To authorize payment to the IRS, in the amount of \$87,140.63, for penalties assessed as the result of the audit.