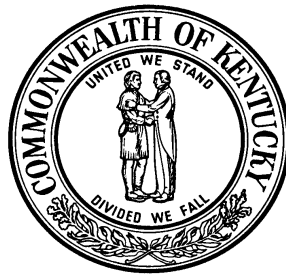


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
BULLITT COUNTY CLERK**

**For The Period
January 1, 2018 Through December 31, 2018**



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

SUMMARY OF PROCEDURES AND FINDINGS

**AGREED-UPON PROCEDURES OF THE
BULLITT COUNTY CLERK**

For The Period January 1, 2018 Through December 31, 2018

The Bullitt County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (AUP) engagement for calendar year 2018 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. The summary below presents those findings for which an exception was identified during the AUP engagement.

During the AUP engagement of the Bullitt County Clerk, the following exceptions were noted:

- The county clerk overspent his total general term order by \$13,537.
- The county clerk reconciled all bank accounts monthly but did not properly include outstanding items for the usage tax account.
- The statutory maximum salary set by the Department for Local Government, which is required to be paid to the clerk, is \$111,702. The county clerk was paid \$111,798.
- The county clerk's agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not properly reported on the fourth quarter financial statement.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above, but can be found in the full report. An electronic copy of the report is available on the Auditor of Public Accounts' website at www.auditor.ky.gov.

Respectfully,

Mike Harmon
Auditor of Public Accounts
June 24, 2019



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Jerry Summers, Bullitt County Judge/Executive
The Honorable Kevin Mooney, Bullitt County Clerk
Members of the Bullitt County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Bullitt County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2018 through December 31, 2018. The Bullitt County Clerk is responsible for the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the county clerk has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the county clerk's fourth quarter financial statement agrees to the county clerk's receipts ledger and disbursements ledger. Variances in total revenues or total disbursements that exceed 1% of gross revenues or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

3. Procedure -

Compare the county clerk's operating disbursements (Total disbursements per EMARS 2550 Reconciliation) to the general term order approved by the fiscal court or other approving authority to see if the county clerk overspent the general term order.

Finding -

The county clerk overspent his total general term order by \$13,537.



The Honorable Jerry Summers, Bullitt County Judge/Executive
 The Honorable Kevin Mooney, Bullitt County Clerk
 Members of the Bullitt County Fiscal Court
 (Continued)

3. (Continued)

County Clerk's Response: Directions were provided to better account for applying to Capital Outlay -v- other line items. This change should provide for no "overspent" condition occurring in the future.

4. Procedure -

Determine if the county clerk has reconciled the 75% account to the EMARS 2550 report.

Finding -

No exceptions were found as a result of applying the procedure. The ending reconciled balance as of December 31, 2018, is \$681,271.

5. Procedure -

Obtain a list of accounts prepared by the county clerk that are applicable to the current calendar year.

Finding -

No exceptions were found as a result of applying the procedure. The county clerk maintains general fee, usage, escrow, delinquent sales, and delinquent escrow accounts.

6. Procedure -

Determine if the county clerk reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2018, to determine what the reconciled balances are, and if the bank reconciliations are accurate. Determine if any additional funds are due to the state repository for 75% or 25% accounts.

Finding -

The county clerk reconciled all bank accounts monthly but did not properly include outstanding items for the usage tax account. The balances of the county clerk's accounts are:

| Account Name: | Reconciled Account Balance: |
|-----------------------------|--------------------------------|
| 2018 Fee Account | \$ 4,068 |
| Escrow | \$ 5,677 |
| Usage Account | \$ 0 |
| Delinquent Sales Account | \$ 169 |
| Delinquent Tax Escrow Acct. | \$ 768 |
| 2017 Fee Account | \$ 6 |

County Clerk's Response: We will begin reconciling usage account to \$0 each end of month rather than at the end of year. This change should allow for corrections to be found quicker and fixed monthly, if need.

The Honorable Jerry Summers, Bullitt County Judge/Executive
The Honorable Kevin Mooney, Bullitt County Clerk
Members of the Bullitt County Fiscal Court
(Continued)

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

No exceptions were found as a result of applying the procedure.

8. Procedure -

Determine if the county clerk prepared 12 monthly reports for delinquent tax. Test payments to districts for one randomly selected month's delinquent tax disbursements to confirm that payments were made timely and disbursements agreed to monthly report.

Finding -

No exceptions were found as a result of applying the procedure.

9. Procedure -

Judgmentally select 15 operating disbursements from county clerk's records and agree amounts to paid invoices or other supporting documentation and cancelled checks. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business.

Finding -

No exceptions were found as a result of applying the procedure.

10. Procedure -

Judgmentally select one month's imprest cash voucher and review the attached receipts to determine if disbursements are for official business. Verify imprest cash vouchers are submitted monthly and agree to amounts reimbursed by the 75% account.

Finding -

Not applicable since the Bullitt County Clerk does not maintain an imprest cash account.

11. Procedure -

Verify that the county clerk's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Jerry Summers, Bullitt County Judge/Executive
The Honorable Kevin Mooney, Bullitt County Clerk
Members of the Bullitt County Fiscal Court
(Continued)

12. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees.

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine that the county clerk was paid the statutory maximum.

Finding -

The statutory maximum salary set by the Department for Local Government, which is required to be paid to the clerk, is \$111,702. The county clerk was paid \$111,798.

County Clerk's Response: This occurred due to a payroll period addition. The auditor explained how it happened and attention is now in place to not repeat this error. The overage will be shorted from 2019 payroll to correct to 2019 overage. This is per the Auditors direction.

14. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

The county clerk's agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not properly reported on the fourth quarter financial statement.

15. Procedure -

Verify the county clerk is properly bonded.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Jerry Summers, Bullitt County Judge/Executive
The Honorable Kevin Mooney, Bullitt County Clerk
Members of the Bullitt County Fiscal Court
(Continued)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities of the Bullitt County Clerk. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Bullitt County Clerk and the Bullitt County Fiscal Court, and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

June 24, 2019