

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
CALDWELL COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2017 Through June 30, 2018**



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Independent Accountant's Report
On Applying Agreed-Upon Procedures

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Ronald Wood, Caldwell County Property Valuation Administrator
Princeton, Kentucky 42445

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue (DOR), and the Caldwell County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2017 through June 30, 2018. PVA's management is responsible for the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 described 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 PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2018), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA does not have a receipts and disbursements ledger. The PVA performs monthly bank reconciliations. The June 30, 2018 bank reconciliations were accurate.

PVA's Response: There is a Receipts Record for cash payments & checks to pva office are deposited with the cash payments. Both are recorded on deposit slips & deposits are listed & added to record of checks & deposits so bank statements can be reconciled to bank statements received each month.

Auditor's reply: A check register does not meet the requirements of a receipt or disbursement ledger.



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2. Procedure -

Confirm all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also compare recorded city receipts to the DOR list of cities to determine if the PVA has accounted for all city receipts.

Finding -

The payments from the cities have been confirmed and agree to the PVA's bank records, but could not be traced to a receipts ledger. List of cities' receipts is complete.

PVA's Response: Amount of payments & dates deposited are noted on deposit stubs in check book. Deposits are recorded on the computer & match bank statements.

Auditor's reply: A check register does not meet the requirements of a receipt or disbursement ledger.

3. Procedure -

Confirm all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by the fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Payments made by the fiscal court to the PVA have been confirmed. The budgeted statutory contribution by fiscal court agreed to the legally required amounts calculated by the Department of Revenue. The fiscal court payments were traced from the fiscal court statutory contribution budget account to the PVA's local bank accounts.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to paid invoices or other supporting documentation and bank records. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business.

Finding -

The selected disbursements agree to paid invoices and bank records, but could not be traced to a disbursements ledger. Disbursements were determined to be for official business.

PVA's Response: check numbers, to whom & amounts are recorded on the computer by account numbers 100, 200, 300, 600, & 800 The business purpose is also noted & matches memo line on the check

Auditor's reply: A check register does not meet the requirements of a receipt or disbursement ledger.

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5. Procedure -

Compare capital outlay disbursements with supporting documentation, bank records, and proper purchasing procedures. Observe newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Proper purchasing procedures were followed for capital outlay disbursements and they agree to bank records and supporting documentation. Assets were added to the PVA's Capital Asset Inventory List.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA's agreement and contract payments agree to cost schedules and the services received were appropriate, for official business, and properly authorized.

7. Procedure -

Compare the PVA's final budget to actual disbursements to determine if the PVA overspent in any account series.

Finding -

PVA's final budget could not be compared to actual disbursements since the PVA does not maintain a disbursements ledger.

PVA's Response: checks, amounts & for what business purpose & to whom checks are written are recorded on the computer by account numbers 100, 200, 300, 600, & 800. Budget is amended if needed to prevent exceeding budgeted amounts in any general account number. Copies of all checks come included with all bank statements

Auditor's reply: A check register does not meet the requirements of a receipt or disbursement ledger.

8. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked by inspecting one pay period's timesheets.

Finding -

Timesheets are completed, maintained, and support hours worked. Timesheets are not signed to document approval.

PVA's Response: time sheets are signed by employees & reviewed by myself before approving on the computer. Time is submitted by chief deputy with a separate log in & password. I have a separate log in & password for approving time sheets.

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(Continued)

8. (Continued)

Auditor's reply: Documentation of approval was not presented to auditors.

9. Procedure -

Determine whether cash balances were properly transferred from the former PVA to the new PVA.

Finding -

Not applicable as no change in the PVA.

10. Procedure -

For PVA office employees hired between July 1, 2017 and June 30, 2018, determine if the Ethics Certification Form has been completed and is on file.

Finding -

Not applicable since no employees were hired between July 1, 2017 and June 30, 2018.

11. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was not closed any days other than the state's approved holidays.

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, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. 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 Property Valuation Administrator and the Finance and Administration Cabinet, Department of Revenue, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

December 13, 2018