

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

**For The Period
July 1, 2019 Through March 31, 2020**



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Independent Accountant's Report
On Applying Agreed-Upon Procedures

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Philip Mobley, Former Clay County Property Valuation Administrator
The Honorable Jeffrey Cress, Interim Clay County Property Valuation Administrator
Manchester, Kentucky 40962

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue (DOR), and the former Clay 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, 2019 through March 31, 2020. 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 (March 31, 2020), for all bank accounts, to determine if amounts are accurate.

Finding -

The former PVA had a receipts and disbursements ledger. The former PVA conducts monthly bank reconciliations. The March 31, 2020 bank reconciliation was accurate. The former PVA maintained a second miscellaneous account. The former PVA had a receipts and disbursements ledger for this account as well, however no bank reconciliation was kept for the second account.

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 -

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



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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 -

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

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 or other supporting documentation and bank records. Four disbursements could not be agreed to cancelled checks because the former PVA used a debit card for those four disbursements. Expenditures were determined to be for official business. The former PVA did not use a credit card for his office.

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 -

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

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 -

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

7. Procedure -

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

Finding -

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

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8. Procedure -

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

Finding -

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

9. Procedure -

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

Finding -

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

10. Procedure -

For PVA office employees hired between July 1, 2019 and March 31, 2020, determine if the Ethics Certification Form has been completed and is on file.

Finding -

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

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 -

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

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(Continued)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the *Fiscal and Personnel Administration Manual for the Office of Property Valuation Administrator*. 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 former 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,

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 3, 2020