

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

**For The Period
July 1, 2019 Through June 30, 2020**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**209 SAINT CLAIR STREET
FRANKFORT, KY 40601-1817
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**



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AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Felicia Tamme, Harlan County Property Valuation Administrator
Harlan, Kentucky 40831

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue (DOR), and the Harlan County Property Valuation Administrator (PVA), related to the PVA's compliance with the *Fiscal and Personnel Administration Manual for the Office of Property Valuation Administrator* regarding the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts during the period July 1, 2019 through June 30, 2020. PVA's management is responsible for the compliance with these requirements. 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, 2020), for all bank accounts, to determine if amounts are accurate.

Finding -

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

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 -

Payments made to the PVA by the fiscal court were confirmed. The fiscal court underpaid the PVA's legally required statutory contribution by \$1,400. Payments from the fiscal court were traced to the PVA's local bank account.

PVA's Response: Agree, Fiscal Court will pay after next Fiscal Court meeting.

4. Procedure -

Select one month (January 2020 - June 2020) and review bank statement(s) to determine if deposits were made weekly at a minimum or if receipts of \$250 or more are deposited daily. Choose one week from month selected and determine if pre-numbered receipts were issued.

Finding -

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

5. Procedure -

Determine if the PVA has a change fund and document the amount of the PVA's change fund.

Finding -

The PVA does not have a change fund.

6. 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 -

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

7. 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.

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(Continued)

8. 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.

9. 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.

10. 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.

11. Procedure -

For PVA office employees hired between July 1, 2019 and June 30, 2020, determine if the Ethics Certification Form has been completed and is on file.

Finding -

Not applicable since no was hired between during July 1, 2019 through June 30, 2020.

12. 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 the procedure.

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 compliance with specified requirements. 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.

The purpose of this report is solely to describe the procedures agreed upon by the Finance and Administration Cabinet, Department of Revenue and the Harlan County PVA, related to the PVA's compliance with the *Fiscal and Personnel Administration Manual for the Office of the Property Valuation Administrator* and related findings and is not suitable for any other purpose.

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

March 2, 2021