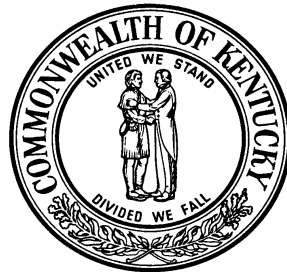


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
JEFFERSON COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2015 Through June 30, 2016**



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Independent Accountant's Report
On Applying Agreed Upon Procedures

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Tony Lindauer, Jefferson County Property Valuation Administrator
Louisville, Kentucky 40202-2654

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue, and the Jefferson 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, 2015 through June 30, 2016. 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, 2016), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts and disbursements ledger. The PVA performs monthly bank reconciliations. The June 30, 2016 bank reconciliation was accurate.

2. Procedure -

Confirm all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

The payments from the cities have been confirmed and agree to the PVA receipts records. The list of cities' receipts is complete.



William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Tony Lindauer, Jefferson County Property Valuation Administrator
(Continued)

3. Procedure -

Confirm all payments made by the Louisville/Jefferson County Metro Government to the PVA. Compare the budgeted statutory contribution by the Louisville/Jefferson County Metro Government to the legally required amounts calculated by the Department of Revenue. Trace the Louisville/Jefferson County Metro Government payments from the statutory contribution budget account to the PVA's local bank account.

Finding -

Payments made by the Louisville/Jefferson County Metro Government to the PVA have been confirmed. The budgeted statutory contribution by the Louisville/Jefferson County Metro Government compared favorably to the legally required amounts calculated by the Department of Revenue. The Louisville/Jefferson County Metro Government payments were traced from the statutory contribution budget to the PVA's local bank accounts and the receipts register.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

The selected disbursements agree to cancelled checks and paid invoices or other supporting documentation. Expenditures were determined to be for official business. The credit card expenditures were for official business.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of 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 cancelled checks 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.

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Tony Lindauer, Jefferson County Property Valuation Administrator
(Continued)

7. Procedure -

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

Finding -

Budget to actual expenditures were compared and the PVA did not overspend in any account series.

8. Procedure -

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

Finding -

Time records were completed, maintained, approved, but support for the hours worked is lacking due to clarity issues between the employee timesheets and Electronic Timekeeping System.

In addition, employees worked through lunch breaks in violation of KRS 337.355. It states that "[e]mployers, except those subject to the Federal Railway Labor Act, shall grant their employees a reasonable period for lunch, and such time shall be as close to the middle of the employee's scheduled work shift as possible. In no case shall an employee be required to take a lunch period sooner than three (3) hours after his work shift commences, nor more than five (5) hours from the time his work shift commences. This section shall not be construed to negate any provision of a collective bargaining agreement or mutual agreement between the employee and employer."

The PVA should review the personnel policy to be sure it clearly states what defines a work day, including breaks and lunch, and that hourly employees only get paid for actual hours worked. The PVA should also comply with KRS 337.355.

PVA's Response: Due to time constraints and being short staffed, we authorized voluntary overtime hours to be paid through our office OX funds. This was necessary to complete the 2016 Reassessment in the required time. Those employees affected asked and volunteered to work through their lunch period in addition to early and late overtime hours. In order to complete the 2016 time-sensitive deadline for the reassessment, we allowed employees to voluntarily work through their lunch period.

On 08/30/2016 an e-mail was sent to all employees stating it was no longer acceptable to work through lunch period. We will continue to keep this policy in force as you recommended. Also, any time an employee works over five (5) hours, they are required to take a 30 minute lunch period.

On in-house time sheets, all employees complete a section in each payroll period where they enter their ETS work schedule and time worked. That is signed by the employee and then approved by signature of their supervisor. This is the worksheet that is used to enter time into ETS. If there appears to be any inconsistencies, the HR Manager will meet with the supervisor to ensure the correct time worked is entered into ETS.

Auditor's Reply: Any agreement to work during lunch periods should be properly documented.

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Tony Lindauer
Jefferson County Property Valuation Administrator
(Continued)

9. Procedure -

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

Finding -

Not applicable; there was no change in PVA.

10. Procedure -

For PVA office employees hired between July 1, 2015 and June 30, 2016, determine if the Ethics Certification Form has been completed and is on file.

Finding -

The PVA has on file the completed Ethics Certification Form for newly hired employees, hired between July 1, 2015 and June 30, 2016.

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, the objective of which would be the expression of an opinion 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. 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

January 12, 2017