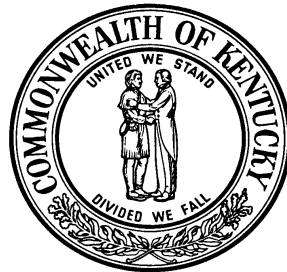


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
FORMER LETCHER COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2015 Through November 2, 2016**



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MIKE HARMON
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Independent Accountant's Report
On Applying Agreed Upon Procedures

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Randy Hall, Former Letcher County Property Valuation Administrator
The Honorable Adam Craft, Letcher County Property Valuation Administrator

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue, and the former Letcher County Property Valuation Administrator (Former 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 November 2, 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 former PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (November 2, 2016), for all bank accounts, to determine if amounts are accurate.

Finding -

The former PVA had a receipts and disbursements ledger. The former PVA conducted monthly bank reconciliations. The November 2, 2016 bank reconciliation was accurate.

2. Procedure -

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

Finding -

Payments from the cities have been confirmed and compared favorably to the former PVA's receipts records. The list of cities' receipts is complete.



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3. Procedure -

Confirm all payments made by the fiscal court to the former PVA. Compare the budgeted statutory contribution by 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 former PVA's local bank account.

Finding -

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

4. Procedure -

Judgmentally select 15 disbursements from the former 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 agreed to cancelled checks and paid invoices or other supporting documentation. Expenditures were determined to be for official business. The former PVA did not have a credit card 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 former PVA's Capital Asset Inventory List.

Finding -

Not applicable; there were no capital outlay disbursements during fiscal year 2016.

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

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7. Procedure -

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

Finding -

The former PVA's final budget was compared to actual expenditures. The former PVA overspent in the 600 and 800 account series for the period of July 1, 2015 through June 30, 2016.

Acting PVA's response – PVA will spend within budget for all accounts in future.

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, and support hours worked.

9. Procedure -

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

Finding -

Cash balances were properly transferred from the former PVA to the new (acting) PVA.

10. Procedure -

For PVA office employees hired between July 1, 2015 and November 2, 2016, determine if the Ethics Certification Form has been completed and is on file.

Finding -

There were no newly hired employees during the period July 1, 2015 through November 2, 2016.

11. Procedure -

Determine if the former 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 former PVA's office was not closed on any day other than state approved holidays.

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The Honorable Adam Craft, Letcher County Property Valuation Administrator
(Continued)

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,

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

December 19, 2016