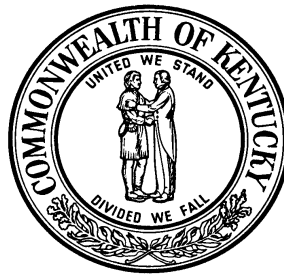


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
MONTGOMERY COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2018 Through June 30, 2019**



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

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Floyd Arnold, Montgomery County Property Valuation Administrator
Mt. Sterling, Kentucky 40353

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue (DOR), and the Montgomery 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, 2018 through June 30, 2019. 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, 2019), 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 -

The payments from the cities have been confirmed and agree to the PVA receipts records, however one city's payment that was received in May 2019, was not deposited until July 3, 2019. List of cities receipts are complete.



Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Floyd Arnold, Montgomery County Property Valuation Administrator
(Continued)

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 15 selected disbursements agree to paid invoices or other supporting documentation and bank records.

The following exceptions were noted in regards to tested disbursements:

- Two instances in which the disbursements were not for official business, totaling \$203.
- Three credit card statements were missing or were not provided; therefore, auditors could not determine if items were for official business.
- 58 instances in which proper supporting documentation was not maintained for credit card purchases, totaling \$2,016.
- One credit card disbursement of \$9 did not have a detailed description of the items purchased; therefore, auditors could not determine if items were for official business.
- 11 instances of late fees and interest charges being paid on the credit card, totaling \$227.
- One instance, in the amount of \$693, where the office credit card had been paid by funds outside the PVA's official bank account. The source of these funds could not be verified.
- Five instances, totaling \$249, in which the credit card was used by someone outside of the PVA's office for items not for official business.

There were a total of \$2,704 in disbursements that are considered not for official business or not supported, therefore the \$2,704 should be paid back personally from the PVA to the PVA's official account.

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.

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Floyd Arnold, Montgomery County Property Valuation Administrator
(Continued)

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.

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 -

Not applicable as no change in the PVA.

10. Procedure -

For PVA office employees hired between July 1, 2018 and June 30, 2019, determine if the Ethics Certification Form has been completed and is on file.

Finding -

Not applicable since no was hired between during July 1, 2018 through June 30, 2019.

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Floyd Arnold, Montgomery County Property Valuation Administrator
(Continued)

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 the procedure.

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 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 horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

March 17, 2020