

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

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



**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 Dale Ayer, McLean County Property Valuation Administrator
Calhoun, Kentucky 42327

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue (DOR), and the McLean 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 -

The PVA had a receipts and disbursements ledger, although receipts were not categorized. The PVA does not conduct monthly bank reconciliations. Due to this, the year-end bank reconciliation was not able to be performed.

PVA's Response: Monthly bank reconciliations have been completed since I began work in this position and I will continue to complete them on a monthly basis. I was not aware documentation/calculation should be kept. Beginning immediately, documentation/calculations of bank reconciliations will be kept. Receipts will be categorized.



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The Honorable Dale Ayer, McLean County Property Valuation Administrator
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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.

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. However, it was noted that all payments received from the fiscal court were not paid to the PVA timely.

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 agreed to paid invoices or other supporting documentation and bank records with one exception. One disbursement did not have adequate supporting documentation. The disbursements were determined to be for official business. The PVA did not have an official credit card.

PVA's Response: Adequate supporting documentation will continue to be kept.

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 -

Proper purchasing procedures were followed for capital outlay disbursements and they agreed to bank records and supporting documentation. One asset was not added to the PVA's capital asset inventory list.

PVA's Response: Asset will be added to capital asset inventory list.

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Dale Ayer, McLean 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 -

Time records are completed, maintained, and support the hours worked. However, the timesheets were not approved.

PVA's Response: Timesheets were approved electronically and forwarded to Frankfort in a timely manner. I did not sign the timesheets – was not aware that was required.

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 one was hired between during July 1, 2018 through June 30, 2019.

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Dale Ayer, McLean 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

February 5, 2020