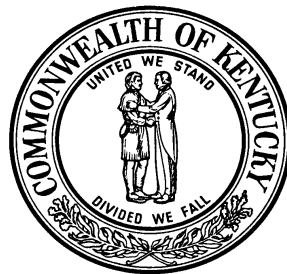


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
BREATHITT COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

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



**MIKE HARMON  
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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

**Independent Accountant's Report**  
**On Applying Agreed Upon Procedures**

William M. Landrum III, Secretary, Finance and Administration Cabinet  
The Honorable Ervine Allen, Jr., Breathitt County Property Valuation Administrator  
Jackson, Kentucky

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue, and the Breathitt 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 does not maintain a receipts and disbursements ledger; however, the PVA does perform monthly bank reconciliations. The June 30, 2016 bank reconciliation was accurate.

*PVA's response: Has been kept in past. Will resume practice.*



William M. Landrum III, Secretary, Finance and Administration Cabinet  
The Honorable Ervine Allen, Jr., Breathitt County Property Valuation Administrator  
(Continued)

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's receipts records. The list of cities' receipts is complete.

3. Procedure -

Confirm all payments made by the fiscal court to the 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 PVA's local bank account.

Finding -

Based on the work performed, payments made by the fiscal court to the PVA have been confirmed. The budgeted statutory contribution by 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 budget to the PVA's local bank accounts.

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. No credit cards were used to make purchases.

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 -

There were no capital outlay disbursements for newly acquired assets. However, the PVA does keep a Capital Asset Inventory List and adds assets to it when acquired.

William M. Landrum III, Secretary, Finance and Administration Cabinet  
The Honorable Ervine Allen, Jr., Breathitt 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 -

There were no vehicle lease agreements, personal service contracts, or professional service contracts noted.

7. Procedure -

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

Finding -

Auditor was unable to determine if the PVA overspent in any account series due to no disbursements ledger being maintained.

*PVA's response: Use of ledgers will be resumed.*

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 the hours worked.

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 -

Not applicable; no employees were hired between July 1, 2015 and June 30, 2016.

William M. Landrum III, Secretary, Finance and Administration Cabinet  
The Honorable Ervine Allen, Jr., Breathitt 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 -

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,

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

November 28, 2016