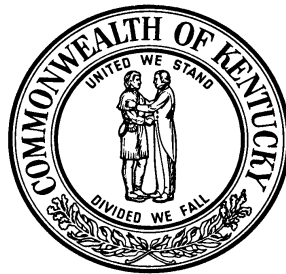


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
METCALFE COUNTY CLERK**

**For The Period  
January 1, 2018 Through December 31, 2018**



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

**SUMMARY OF PROCEDURES AND FINDINGS**

**AGREED-UPON PROCEDURES OF THE  
METCALFE COUNTY CLERK**

For The Period January 1, 2018 Through December 31, 2018

The Metcalfe County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (AUP) engagement for calendar year 2018 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. The summary below presents those findings for which an exception was identified during the AUP engagement.

During the AUP engagement of the Metcalfe County Clerk, the following exception was noted:

- The county clerk did not perform monthly bank reconciliations for the grant and 941 payroll tax accounts. The December 31, 2018 bank reconciliation for the fee account was accurate. The December 31, 2018 bank reconciliation for the usage tax account was not properly documented and the ending balance was not reconciled properly. The reconciled balance of the grant and 941 payroll tax accounts are not known, as reconciliations were not performed. The reconciled balance of the county clerk's fee account is \$0.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above, but can be found in the full report. An electronic copy of the report is available on the Auditor of Public Accounts' website at [www.auditor.ky.gov](http://www.auditor.ky.gov).

Respectfully,

Mike Harmon  
Auditor of Public Accounts  
August 7, 2019



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

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

The Honorable Harold Stilts, Metcalfe County Judge/Executive  
The Honorable Carol England Chaney, Metcalfe County Clerk  
Members of the Metcalfe County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Metcalfe County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2018 through December 31, 2018. The Metcalfe County Clerk is responsible for the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities. 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 enumerated 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 county clerk has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the county clerk's fourth quarter financial statement agrees to the county clerk's receipts ledger and disbursements ledger. Variances in total revenues or total disbursements that exceed 1% of gross revenues or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure. However, in performing the procedure it was identified that the county clerk's ledgers were not cumulative. The county clerk should maintain cumulative receipts and disbursements ledgers to improve the office's ability to ensure they agree to the county clerk's fourth quarter financial statement.



The Honorable Harold Stilts, Metcalfe County Judge/Executive  
The Honorable Carol England Chaney, Metcalfe County Clerk  
Members of the Metcalfe County Fiscal Court  
(Continued)

3. Procedure -

Compare the county clerk's operating disbursements (fourth quarter or settlement amounts) to the budget approved by fiscal court to see if the county clerk overspent the budget.

Finding -

No exceptions were found as a result of applying the procedure.

4. Procedure -

Determine if the county clerk has a settlement of excess fees that was approved by fiscal court.

Finding -

No exceptions were found as a result of applying the procedure.

5. Procedure -

Obtain a list of accounts prepared by the county clerk that are applicable to the current calendar year.

Finding -

No exceptions were found as a result of applying the procedure. The county clerk maintains fee, usage tax, grant, and 941 payroll tax accounts.

6. Procedure -

Determine if the county clerk reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2018, to determine what the reconciled ending balances are, and if bank reconciliations are accurate.

Finding -

The county clerk did not perform monthly bank reconciliations for the grant and 941 payroll tax accounts. The December 31, 2018 bank reconciliation for the fee account was accurate. The December 31, 2018 bank reconciliation for the usage tax account was not properly documented and the ending balance was not reconciled properly. The reconciled balance of the grant and 941 payroll tax accounts are not known, as reconciliations were not performed. The reconciled balance of the county clerk's fee account is \$0.

*County Clerk's Response: We will do a reconciliation for these accounts. 941 are ACH accounts, in the future we will make notations of reconciliations. Checks are written from Fee Account, for those listed above, and it is reconciled.*

The Honorable Harold Stilts, Metcalfe County Judge/Executive  
 The Honorable Carol England Chaney, Metcalfe County Clerk  
 Members of the Metcalfe County Fiscal Court  
 (Continued)

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

No exceptions were found as a result of applying the procedure. However, in applying the procedure, it was noted that batched receipts for daily checkout sheets did not indicate how much was attributed to cash and checks in order to compare to bank deposit tickets. The delinquent tax and real estate cash and check totals had to be added to the motor vehicle totals in order to compare cash and check totals to the deposit ticket totals, and they agreed. The county clerk should implement procedures to ensure deposit tickets easily trace to daily checkout sheets.

8. Procedure -

Determine if the county clerk prepared 12 monthly reports for delinquent tax. Test payments to districts for one randomly selected month's delinquent tax disbursements to confirm that payments were made timely and disbursements agreed to the monthly report.

Finding -

No exceptions were found as a result of applying the procedure.

9. Procedure -

Judgmentally select 15 operating disbursements from county clerk's records and agree amounts to paid invoices or other supporting documentation and cancelled checks. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business.

Finding -

No exceptions were found as a result of applying the procedure.

10. Procedure -

Determine excess fees due to fiscal court by recalculating the difference between total receipts and total disbursements. Verify amounts paid to determine if additional excess fees are due to fiscal court.

Finding -

Excess fees due to fiscal court were recalculated and there are no additional excess fee due to fiscal court.

Total Receipts	\$	1,863,248
Total Disbursements		<u>1,809,387</u>
Excess Fees Due County for 2018	\$	53,861
Payment to Fiscal Court		<u>53,861</u>
Balance Due Fiscal Court	\$	<u><u>0</u></u>

The Honorable Harold Stilts, Metcalfe County Judge/Executive  
The Honorable Carol England Chaney, Metcalfe County Clerk  
Members of the Metcalfe County Fiscal Court  
(Continued)

11. Procedure -

Verify that the county clerk's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

12. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees. (Not applicable to fee pooling counties)

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine that the county clerk was paid the statutory maximum.

Finding -

The county clerk was paid \$80,674. The statutory maximum salary was \$80,674.

14. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

No exceptions were found as a result of applying the procedure.

15. Procedure -

Verify the county clerk is properly bonded.

Finding -

No exceptions were found as a result of applying the procedure.



The Honorable Harold Stilts, Metcalfe County Judge/Executive  
The Honorable Carol England Chaney, Metcalfe County Clerk  
Members of the Metcalfe County Fiscal Court  
(Continued)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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, excess fees, recordkeeping, and leases, contracts, and liabilities of the Metcalfe County Clerk. 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 Metcalfe County Clerk and the Metcalfe County Fiscal Court, and is not intended to be and should not be used by anyone other than the 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

August 7, 2019