

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

**For The Period
March 27, 2018 Through November 30, 2018**



**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

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Robert E. Taylor, III, Former Simpson County Property Valuation Administrator
The Honorable Alison H. Cummings, Simpson County Property Valuation Administrator
Franklin, Kentucky 42135

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue (DOR), and the former Simpson 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 March 27, 2018 through November 30, 2018. 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 (November 30, 2018), for all bank accounts, to determine if amounts are accurate.

Finding -

The former PVA had a receipts and disbursements ledger. The former PVA performed bank reconciliations monthly. The November 30, 2018 bank reconciliation was accurate.

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 payment from the city has been confirmed and agreed to the former PVA receipts records. List of cities receipts are complete.



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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 -

Payments made by the fiscal court to the former PVA have been confirmed. The budgeted statutory contribution by fiscal court agreed to the legally required amount calculated by the Department of Revenue. As of November 30, 2018, the fiscal court owes the Simpson County PVA \$14,538, due by fiscal year end June 30, 2019. The fiscal court payments were traced from the fiscal court statutory contribution budget account to the former PVA's local bank account.

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 cancelled checks and paid invoices or other supporting documentation and bank records. Disbursements were determined to be for official business. The credit card disbursements were for official business.

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 -

Not applicable as the former PVA did not have any capital outlay disbursements.

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 agreements and contract payments were for official business, were properly authorized, and payments were up to date.

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7. Procedure -

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

Finding -

Budget to actual disbursements were compared and the former PVA did not overspend in any account series.

8. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked by inspecting one pay period's timesheets.

Finding -

Timesheets were completed, maintained, and support hours worked. The former PVA failed to sign approval on any timesheets for one pay period observed.

9. Procedure -

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

Finding -

Cash balances were properly transferred from former PVA to new PVA.

10. Procedure -

For PVA office employees hired between March 27, 2018 and November 30, 2018, determine if the Ethics Certification Form has been completed and is on file.

Finding -

Not applicable since the former PVA did not hire any employees between March 27, 2018 and November 30, 2018.

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 former PVA's office was closed the full day for Election Day. The former PVA informed the PVA Administrative Support Branch using the required form, but failed to inform prior to the date of closure as required.

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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 former 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 H.", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

December 10, 2018