

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

**For The Period
January 1, 2020 Through December 31, 2020**



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

SUMMARY OF PROCEDURES AND FINDINGS

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

For The Period January 1, 2020 Through December 31, 2020

The Washington 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 2020 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 Washington County Clerk, the following exceptions were noted:

- The county clerk did not have a settlement of excess fees that was approved by the fiscal court.
- The county clerk performed monthly bank reconciliations for the fee account. However, the county clerk did not perform monthly bank reconciliations for the usage account or the grant account.
- Excess fees due to the fiscal court were recalculated and there are \$2,514 additional excess fees due to the fiscal court.
- Payroll charges are properly supported by timesheets. Approved timesheets were maintained by the county clerk. However, there were two employees that were treated as contract labor incorrectly.

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. A copy of this report is available on the Auditor of Public Accounts' website at www.auditor.ky.gov.

Respectfully submitted,

Auditor of Public Accounts
August 18, 2021



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Timothy E. Graves, Washington County Judge/Executive
The Honorable Teresa Marrinan, Washington County Clerk
Members of the Washington County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Washington County Clerk, related to the county clerk's compliance with the Department for Local Government's *County Budget Preparation and State Local Finance Officer Policy Manual* regarding the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2020 through December 31, 2020. The Washington County Clerk is responsible for compliance with these requirements. 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 receipts or total disbursements that exceed 1% of gross receipts or exceed \$20,000 will be reported.

Finding -

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

3. Procedure -

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

Finding -

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



The Honorable Timothy E. Graves, Washington County Judge/Executive
 The Honorable Teresa Marrinan, Washington County Clerk
 Members of the Washington County Fiscal Court
 (Continued)

4. Procedure -

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

Finding -

The county clerk did not have a settlement of excess fees that was approved by the fiscal court.

County Clerk's Response: We did turn over excess fees to fiscal court by the March 15th deadline, and prepare the 4th quarter report, that was signed by the county judge and sent to DLG. We were unaware that we needed to prepare a settlement statement to present to fiscal court with the excess fees. This will be done in the future.

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 a fee account, usage account, and grant account.

6. Procedure -

Determine if the county clerk reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2020, to determine the reconciled ending balances and if bank reconciliations are accurate.

Finding -

The county clerk performed monthly bank reconciliations for the fee account. However, the county clerk did not perform monthly bank reconciliations for the usage account or the grant account. The December 31, 2020 bank reconciliation was accurate for the fee account. The balances of the county clerk's accounts are:

| <u>Account Name:</u> | <u>Reconciled</u> | |
|----------------------|-------------------------|-------|
| | <u>Account Balance:</u> | |
| Fee Account | \$ | 2,521 |
| Usage Account | \$ | 1,680 |
| Grant Account | \$ | 43 |

County Clerk's Response: We will perform the monthly bank reconciliations for the usage tax account in future. The grant account funds have been paid and the remaining balance is \$43.00.

The Honorable Timothy E. Graves, Washington County Judge/Executive
 The Honorable Teresa Marrinan, Washington County Clerk
 Members of the Washington 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.

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 disbursement 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 the county clerk's records and agree amounts paid to 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 the fiscal court.

Finding -

Excess fees due to the fiscal court were recalculated and there are \$2,514 additional excess fees due to the fiscal court.

| | |
|---------------------------------|------------------------|
| Total Receipts | \$ 2,679,439 |
| Total Disbursements | <u>2,516,925</u> |
| Excess Fees Due County for 2020 | 162,514 |
| Payments to Fiscal Court | <u>160,000</u> |
| Balance Due Fiscal Court | <u><u>\$ 2,514</u></u> |

County Clerk's Response: We retain a balance in the fee account for the year being audited, until the final audit is complete, we will turn over the additional excess fees in the amount of \$2,523.31 to fiscal court.

The Honorable Timothy E. Graves, Washington County Judge/Executive
The Honorable Teresa Marrinan, Washington County Clerk
Members of the Washington County Fiscal Court
(Continued)

11. Procedure -

Verify 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 -

Payroll charges are properly supported by timesheets. Approved timesheets were maintained by the county clerk. However, there were two employees that were treated as contract labor incorrectly.

County Clerk's Response: We had 2 employed as contract labor, they were hired to help when the office opened back up after being closed for COVID to help with cleaning and customer social distancing. We will no longer hire contract labor.

13. Procedure -

Determine that the county clerk was paid the statutory salary as fixed by the Department for Local Government salary schedule.

Finding -

The county clerk was paid \$86,250. The statutorily required salary was \$86,250.

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 -

The county clerk's agreements and contract payments did agree to cost schedules and the services received were appropriate, for official business, and properly authorized. The county clerk does not have any liabilities requiring disclosure on the fourth quarter financial statement.

15. Procedure -

Verify the county clerk is properly bonded for the period covered by the agreed upon procedures.

Finding -

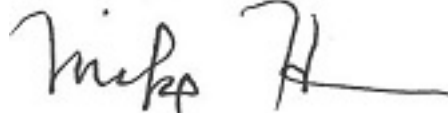
No exceptions were found as a result of applying the procedure.

The Honorable Timothy E. Graves, Washington County Judge/Executive
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(Continued)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 compliance with specified requirements. 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.

The purpose of this report is to present the procedures performed and the results of those procedures and is not suitable for any other purpose. This report is intended solely for the information and use of the Washington County Clerk and the Washington 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 18, 2021