

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
CLAY COUNTY ATTORNEY**

**For The Period
July 1, 2021 Through June 30, 2022**



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MIKE HARMON
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SUMMARY OF PROCEDURES AND FINDINGS

**AGREED-UPON PROCEDURES OF THE
CLAY COUNTY ATTORNEY**

For The Period July 1, 2021 Through June 30, 2022

The Clay County Attorney received an Agreed-Upon Procedures (AUP) engagement for the period July 1, 2021 through June 30, 2022. AUP reports present the procedures performed and the results of those procedures, called findings. This summary is intended to present findings for which an exception (an instance of noncompliance with the criteria) was identified during the AUP engagement. The following exceptions were identified in the AUP engagement of the Clay County Attorney.

- All traffic safety receipts from third party vendors who collect traffic safety program fees were confirmed and traced to the bank statements. However, the official did not maintain a receipts ledger for traffic safety program receipts.
- Five random deposits were chosen and the receipts per deposit tickets were agreed to the bank statements. However, the official did not maintain a receipts ledger for traffic safety program receipts.

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

Respectfully submitted,

Mike Harmon
Auditor of Public Accounts
Frankfort, KY
May 30, 2023



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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

The Honorable Tommy Harmon, Clay County Judge/Executive
The Honorable Joseph White, Clay County Attorney
Members of the Clay County Fiscal Court

We have performed the procedures enumerated below related to the Clay County Attorney's compliance with applicable sections of the Kentucky Revised Statutes (KRS), Kentucky Administrative Regulations (KAR), and *the Generally Accepted Standards for Funds of County Attorney Offices* during the period July 1, 2021 through June 30, 2022.

An agreed-upon procedures engagement involves the APA performing specific procedures that the County Attorney has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. The Clay County Attorney 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 representations regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The Clay County Attorney has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the county attorney's compliance with applicable sections of the KRS, KAR, and the *Generally Accepted Standards for Funds of County Attorney Offices*. The purpose of the engagement is to assist users in determining whether the county attorney complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and findings are as follows:

1. Procedure -

Obtain a list of bank accounts maintained by the county attorney that are applicable for the fiscal year.

Finding -

The Clay County Attorney maintains tax, bad check program, general diversion, Casey's Law assistance, and child support division bank accounts.



The Honorable Tommy Harmon, Clay County Judge/Executive
The Honorable Joseph White, Clay County Attorney
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2. Procedure -

Determine if the county attorney has a petty cash or a change fund and document the amount of the county attorney's petty cash and change fund.

Finding -

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

3. Procedure -

Confirm all payments made by the fiscal court to the county attorney's office. Trace the fiscal court payments from the fiscal court confirmation to the county attorney's receipts ledger and official bank account.

Finding -

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

4. Procedure -

Determine if the county attorney collects cold check fees, delinquent taxes, and traffic safety program receipts.

Finding -

The county attorney collects cold check fees, delinquent taxes, and traffic safety program receipts.

5. Procedure -

Confirm all traffic safety receipts from third party vendors who collect traffic safety program fees and trace to the county attorney's receipts ledger and bank statements.

Finding -

All traffic safety receipts from third party vendors who collect traffic safety program fees were confirmed and traced to the bank statements. However, the official did not maintain a receipts ledger for traffic safety program receipts.

County Attorney's Response: This office, in part to ensure that our procedures were up to date, volunteered to obtain an AUP engagement and be included in the AUP pilot program's initial review by the APA. As this account is not utilized for any type of spending at this time and all deposits that go into that account are from the same vendor, a separate receipts ledger has never been set up. Monitoring of the account has been by review of the bank statements. In light of this finding, we have updated our procedure by establishing a receipts ledger.

6. Procedure -

Confirm all delinquent tax receipts received from the county clerk and trace to the county attorney's receipts ledger and bank statements.

Finding -

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

The Honorable Tommy Harmon, Clay County Judge/Executive
The Honorable Joseph White, Clay County Attorney
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7. Procedure -

Select five random deposits and agree total receipts per deposit tickets to the county attorney's receipts ledger and bank statement for each deposit made.

Finding -

Five random deposits were chosen and the receipts per deposit tickets were agreed to the bank statements. However, the official did not maintain a receipts ledger for traffic safety program receipts.

County Attorney's Response: This finding is essentially the same as #5 and applies to the same account. This office, in part to ensure that our procedures were up to date, volunteered to obtain an AUP engagement and be included in the AUP pilot program's initial review by the APA. As this account is not utilized for any type of spending at this time and all deposits that go into that account are from the same vendor, a separate receipts ledger has never been set up. Monitoring of the account has been by review of the bank statements. In light of this finding, we have updated our procedure by establishing a receipts ledger.

8. Procedure -

Determine if excess cold check fees held by the county attorney on June 30 were turned over to the fiscal court, if applicable. Obtain copy of documentation for payment of excess cold check fees.

Finding -

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

9. Compliance Procedure -

Determine if the county attorney received any KRS Chapter 218A asset forfeiture funds, then determine whether these funds were submitted to the Prosecutor's Advisory Council (PAC) in accordance with 40 KAR 4:010. Obtain operating expense documentation and determine if the use of these funds was for a law enforcement purpose.

Finding -

No exceptions were found as a result of applying the procedure

10. Compliance Procedure -

Judgmentally select 30 operating disbursements from the county attorney's records and agree amounts paid to invoices or other supporting documentation and bank information. Determine if the disbursement is for official operating expenses and in accordance with KRS 514.040(5), KRS 134.545, and KRS 186.574(6)(c)1. 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.

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11. Procedure -

Compare lease agreements, rental agreements, and service contracts to actual payments. Determine if services were for official business and properly authorized.

Finding -

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

12. Procedure -

Inspect the county attorney's annual salary statement to determine if the total exceeded the maximum total allowable annual compensation as calculated by DLG. If the county attorney receives compensation for administering the child support enforcement program, determine whether the county attorney was compensated at the hourly rate stated in the child support enforcement contract.

Finding -

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

13. Compliance Procedure -

Obtain a list of county attorney employees, and their employee classification as exempt or non-exempt for the purpose of Kentucky wage and hour laws. For employees covered by KRS 337.320 requiring an employer to maintain a time record, determine over two pay periods whether such records are completed, maintained, approved, and support hours paid. For all employees, determine if any bonuses were paid.

Finding -

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

14. Procedure -

Determine if cash balances were transferred from the former county attorney to the new county attorney, if applicable.

Finding -

Not applicable.

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We were engaged by the Clay County Attorney to perform this agreed-upon procedures engagement and conducted our engagement 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.

We are required to be independent of the Clay County Attorney and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to present the procedures performed and the results of those procedures and is not intended for any other purpose. This report is intended solely for the information and use of the Clay County Attorney and the Clay 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
Frankfort, KY

May 30, 2023