

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

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



**MIKE HARMON
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SUMMARY OF PROCEDURES AND FINDINGS

**AGREED-UPON PROCEDURES OF THE
FORMER GALLATIN COUNTY ATTORNEY**

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

The former Gallatin County Attorney received an Agreed-Up on 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. The summary below presents those findings for which an exception (an instance of noncompliance with the criteria) was identified during the AUP engagement.

During the AUP engagement of the former Gallatin County Attorney, the following exceptions were noted:

- Operating disbursements from the former county attorney's records agreed to invoices, other supporting documentation, and bank information. Disbursements were for official operating expenses and in accordance with applicable statutes. The county attorney's office did not have a credit card. However, the former county attorney did not have proper supporting documentation for one disbursement for \$30.
- County attorney employees are classified as exempt or non-exempt for the purpose of Kentucky wage and hour laws. Timesheets are completed, maintained, approved, and support hours worked. One exception was noted, the former county attorney did not maintain proper timesheets for one employee.

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 auditor.ky.gov.

Respectfully submitted,

Mike Harmon
Auditor of Public Accounts
Frankfort, KY
March 2, 2023



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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

The Honorable Ryan Morris, Gallatin County Judge/Executive
The Honorable John G. Wright, Former Gallatin County Attorney
The Honorable Grant Axon, Gallatin County Attorney
Members of the Gallatin County Fiscal Court

We have performed the procedures enumerated below related to the former Gallatin 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 former Gallatin 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 former Gallatin County Attorney has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the former 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 former 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 former county attorney that are applicable for the fiscal year.

Finding -

No exceptions were found as a result of applying the procedure. The former county attorney maintained the John G. Wright CATS and attorney tax accounts.



The Honorable Ryan Morris, Gallatin County Judge/Executive
The Honorable John G. Wright, Former Gallatin County Attorney
The Honorable Grant Axon, Gallatin County Attorney
Members of the Gallatin County Fiscal Court
(Continued)

2. Procedure -

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

Finding -

Not applicable as the former county attorney did not have a petty cash or a change fund.

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 former 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 former county attorney collected cold check fees, delinquent taxes, and traffic safety program receipts.

Finding -

The former county attorney collected 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 -

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

6. Procedure -

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

Finding -

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

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(Continued)

7. Procedure -

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

Finding -

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

8. Procedure -

Determine if excess cold check fees held by the former 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 -

Not applicable as the former county attorney did not collect cold check fees.

9. Compliance Procedure -

Determine if the former 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 -

Not applicable, the former county attorney did not receive KRS Chapter 218A asset forfeiture funds during the fiscal year.

10. Compliance Procedure -

Judgmentally select 30 operating disbursements from the former 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 -

Operating disbursements from the former county attorney's records agreed to invoices, other supporting documentation, and bank information. Disbursements were for official operating expenses and in accordance with applicable statutes. The county attorney's office did not have a credit card. However, the former county attorney did not have proper supporting documentation for one disbursement for \$30.

Former County Attorney's Response: Disappointed in we had taken steps to deal with this requirement. Perfection was the goal.

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(Continued)

11. Procedure -

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

Finding -

Not applicable, the former county attorney had no lease agreements, rental agreements, or service contracts.

12. Procedure -

Inspect the former 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 -

County attorney employees are classified as exempt or non-exempt for the purpose of Kentucky wage and hour laws. Timesheets are completed, maintained, approved, and support hours worked. One exception was noted, the former county attorney did not maintain proper timesheets for one employee.

Former County Attorney's Response: We did submit the payroll certifications as required by PAC who actually handled the money and wrote the checks. Did not know this was inadequate with this audit. This was the process used during the 20 years in office and not noted as a problem in an earlier audit.

14. Procedure -

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

Finding -

This procedure is not applicable.

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The Honorable Grant Axon, Gallatin County Attorney
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(Continued)

We were engaged by the former Gallatin 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 former Gallatin 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 former Gallatin County Attorney and the Gallatin 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 dark ink, appearing to read "Mike H", with a long horizontal stroke extending to the right.

Mike Harmon
Auditor of Public Accounts
Frankfort, KY

March 2, 2023