

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

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



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
auditor.ky.gov**

**209 SAINT CLAIR STREET
FRANKFORT, KY 40601-1817
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

SUMMARY OF PROCEDURES AND FINDINGS

**AGREED-UPON PROCEDURES OF THE
FORMER JACKSON COUNTY PROPERTY VALUATION ADMINISTRATOR**

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

The former Jackson County Property Valuation Administrator received an Agreed-Upon Procedures (AUP) engagement for the period July 1, 2021 through September 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 Jackson County Property Valuation Administrator, the following exceptions were noted:

- Deposits were made weekly at a minimum and receipts of \$250 or more are deposited daily. Pre-numbered receipts were not issued.
- The budget was compared to actual disbursements and the former PVA overspent in the 300 account series by \$4,911.
- The former PVA did not follow the proper procedures or complete the appropriate forms for the days the office was closed other than state's approved holidays.

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
December 20, 2022



THIS PAGE LEFT BLANK INTENTIONALLY



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

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

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Former Jackson County Property Valuation Administrator
The Honorable Bobby Edwards, Jackson County Property Valuation Administrator
McKee, Kentucky 40447

We have performed the procedures enumerated below related to the former Jackson County Property Valuation Administrator (PVA) compliance with the *Fiscal and Personnel Administration Manual for the Office of Property Valuation Administrator* regarding the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts during the period July 1, 2021 through September 30, 2022.

An agreed-upon procedures engagement involves the APA performing specific procedures that the former PVA 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 Jackson County PVA 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.

The former Jackson County PVA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the former PVA's compliance with the *Fiscal and Personnel Administration Manual for the Office of Property Valuation Administrator* regarding the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. 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 -

Determine if the former PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (September 30, 2022), for all bank accounts, to determine if amounts are accurate.

Finding -

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



Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Former Jackson County Property Valuation Administrator
The Honorable Bobby Edwards, Jackson County Property Valuation Administrator
(Continued)

2. Procedure -

Confirm all payments by the city to the former 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 former PVA has accounted for all city receipts.

Finding -

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

3. Procedure -

Confirm all payments made by the fiscal court to the former 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 former PVA's local bank account.

Finding -

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

4. Procedure -

Select one month (July 2021 - September 2022) and review bank statement(s) to determine if deposits were made weekly at a minimum or if receipts of \$250 or more are deposited daily. Choose one week from month selected and determine if pre-numbered receipts were issued.

Finding -

Deposits were made weekly at a minimum and receipts of \$250 or more are deposited daily. Pre-numbered receipts were not issued.

5. Procedure -

Determine if the former PVA has a change fund and document the amount of the former PVA's change fund.

Finding -

The former PVA did not have a change fund.

6. Procedure -

Judgmentally select 15 disbursements from former 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 -

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

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Former Jackson County Property Valuation Administrator
The Honorable Bobby Edwards, Jackson County Property Valuation Administrator
(Continued)

7. 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 former PVA's Capital Asset Inventory List.

Finding -

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

8. 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 -

No exceptions were found as result of applying the procedure.

9. Procedure -

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

Finding -

The budget was compared to actual disbursements and the former PVA overspent in the 300 account series by \$4,911.

10. Procedure -

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

Finding -

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

11. Procedure -

For PVA office employees hired between July 1, 2021 and September 30, 2022, determine if the Ethics Certification Form has been completed and is on file.

Finding -

Not applicable since no one was hired between July 1, 2021 and September 30, 2022.

Holly M. Johnson, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Former Jackson County Property Valuation Administrator
The Honorable Bobby Edwards, Jackson County Property Valuation Administrator
(Continued)

12. 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 did not follow the proper procedures or complete the appropriate forms for the days the office was closed other than state's approved holidays.

We were engaged by the Finance and Administration Cabinet, Department of Revenue and the former Jackson County PVA 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 Jackson County PVA and of the Finance and Administration Cabinet, Department of Revenue and to meet our 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 suitable for any other purpose. This report is intended solely for the information and use of the former Jackson County PVA and the Finance and Administration Cabinet, Department of Revenue 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

December 20, 2022