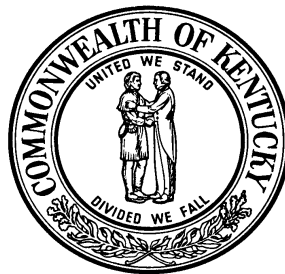


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
LARUE COUNTY ATTORNEY**

**For The Period
July 1, 2022 Through June 30, 2023**



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AUDITOR OF PUBLIC ACCOUNTS
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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

SUMMARY OF PROCEDURES AND FINDINGS

AGREED-UPON PROCEDURES OF THE
LARUE COUNTY ATTORNEY

For The Period July 1, 2022 Through June 30, 2023

The LaRue County Attorney received an Agreed-Upon Procedures (AUP) engagement for the period July 1, 2022 through June 30, 2023. 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 LaRue County Attorney, the following exceptions were noted:

- The county attorney did not maintain an accurate receipts ledger and amounts could not be traced to it. Payments were confirmed from the fiscal court to the county attorney's office. Payments were traced to the official's bank account.
- All traffic safety receipts from third party vendors have been confirmed. All receipts could not be traced to the county attorney's receipts ledger due to the receipt's ledger being inaccurate. All receipts were traced to bank statements.
- All delinquent tax receipts from the county clerk have been confirmed. Receipts could not be traced to the county attorney's receipts ledger due to the receipts ledger being inaccurate. Receipts were traced to the bank statements.
- Deposit tickets could not be traced to the receipts ledger due to the receipts ledger being inaccurate. Deposits were traced to the bank statement.
- Operating disbursements from the county attorney's records were reviewed, and the amounts paid agreed to the invoices or other supporting documentation and bank information. All operating disbursements were for official operating expenses with the exception of two disbursements totaling \$268 for incurred late fees.
- The county attorney failed to file the annual settlement with the Prosecutors Advisory Council within sixty (60) days of the close of the fiscal year.

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,

Allison Ball
Auditor of Public Accounts
Frankfort, KY

March 22, 2024



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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

The Honorable Blake Durrett, LaRue County Judge/Executive
The Honorable Kyle Williamson, LaRue County Attorney
Members of the LaRue County Fiscal Court

We have performed the procedures enumerated below related to the LaRue 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, 2022 through June 30, 2023.

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 LaRue 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 LaRue 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 -

No exceptions were found as a result of applying the procedure. The county attorney maintains delinquent tax escrow, cold check, county attorney general, and child support accounts.



The Honorable Blake Durrett, LaRue County Judge/Executive
The Honorable Kyle Williamson, LaRue County Attorney
Members of the LaRue County Fiscal Court
(Continued)

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 -

The county attorney does 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 county attorney's receipts ledger and official bank account.

Finding -

The county attorney did not maintain an accurate receipts ledger and amounts could not be traced to it. Payments were confirmed from the fiscal court to the county attorney's office. Payments were traced to the official's bank account.

County Attorney's Response: In June of 2023, I terminated the office manager that had been employed by my office for several years. After her departure, I discovered that many of the accounting responsibilities had not been completed for several months. My assistant county attorney stepped in to try to catch up on the accounting as well as ensure that all monies were accounted for. Neither my assistant county attorney nor myself are very familiar with [software name redacted]. We did our best to enter the receipts and disbursements and balance bank statements. As noted by the auditor, all deposits from [software name redacted] match up with deposits on bank statements. After receiving the results of the audit, we have consulted with someone familiar with [software name redacted] and discovered that receipts have to be assigned to a "customer" in [software name redacted] in order to show up on the receipt register. Then, the receipts are allocated to a deposit. I am not sure that not including the money on a receipt register should be counted against us in an audit when it is clear that all deposits have been made appropriately and accounted for.

Auditor's Reply: Strong internal controls dictate that ledgers are to be maintained to: (1) track receipts and disbursement transactions to be able to accurately reconcile transactions to monthly bank statements, including accounting for outstanding items; (2) facilitate the preparation of accurate financial statements at a given point in time; and (3) mitigate the risk of errors in financial reporting occurring due to fraud.

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.

The Honorable Blake Durrett, LaRue County Judge/Executive
 The Honorable Kyle Williamson, LaRue County Attorney
 Members of the LaRue County Fiscal Court
 (Continued)

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 have been confirmed. All receipts could not be traced to the county attorney's receipt ledger due to the receipt's ledger being inaccurate. All receipts were traced to bank statements.

County Attorney's Response: In June of 2023, I terminated the office manager that had been employed by my office for several years. After her departure, I discovered that many of the accounting responsibilities have not been completed for several months. My assistant county attorney stepped in to try to catch up on the accounting as well as ensure that all monies were accounted for. Neither my assistant county attorney nor myself are very familiar with [software name redacted]. We did our best to enter the receipts and disbursements and balance bank statements. As noted by the auditor, all deposits from [software name redacted] match up with deposits on bank statements. After receiving the results of the audit, we have consulted with someone familiar with [software name redacted] and discovered that receipts have to be assigned to a "customer" in [software name redacted] in order to show up on the receipt register. Then, the receipts are allocated to a deposit. I am not sure that not including the money on a receipt register should be counted against us in an audit when it is clear that all deposits have been made appropriately and accounted for.

Auditor's Reply: Strong internal controls dictate that ledgers are to be maintained to: (1) track receipts and disbursement transactions to be able to accurately reconcile transactions to monthly bank statements, including accounting for outstanding items; (2) facilitate the preparation of accurate financial statements at a given point in time; and (3) mitigate the risk of errors in financial reporting occurring due to fraud.

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 -

All delinquent tax receipts from the county clerk have been confirmed. Receipts could not be traced to the county attorney's receipts ledger due to the receipts ledger being inaccurate. Receipts were traced to the bank statements.

County Attorney's Response: In June of 2023, I terminated the office manager that had been employed by my office for several years. After her departure, I discovered that many of the accounting responsibilities have not been completed for several months. My assistant county attorney stepped in to try to catch up on the accounting as well as ensure that all monies were accounted for. Neither my assistant county attorney nor myself are very familiar with [software name redacted]. We did our best to enter the receipts and disbursements and balance bank statements. As noted by the auditor, all deposits from [software name redacted] match up with deposits on bank statements. After receiving the results of the audit, we have consulted with someone familiar with [software name redacted] and discovered that receipts have to be assigned to a "customer" in [software name redacted] in order to show up on the receipt register. Then, the receipts are allocated to a deposit. I am not sure that not including the money on a receipt register should be counted against us in an audit when it is clear that all deposits have been made appropriately and accounted for.

The Honorable Blake Durrett, LaRue County Judge/Executive
The Honorable Kyle Williamson, LaRue County Attorney
Members of the LaRue County Fiscal Court
(Continued)

6. (Continued)

Auditor's Reply: Strong internal controls dictate that ledgers are to be maintained to: (1) track receipts and disbursement transactions to be able to accurately reconcile transactions to monthly bank statements, including accounting for outstanding items; (2) facilitate the preparation of accurate financial statements at a given point in time; and (3) mitigate the risk of errors in financial reporting occurring due to fraud.

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 -

Deposit tickets could not be traced to the receipts ledger due to the receipts ledger being inaccurate. Deposits were traced to the bank statement.

County Attorney's Response: In June of 2023, I terminated the office manager that had been employed by my office for several years. After her departure, I discovered that many of the accounting responsibilities have not been completed for several months. My assistant county attorney stepped in to try to catch up on the accounting as well as ensure that all monies were accounted for. Neither my assistant county attorney nor myself are very familiar with [software name redacted]. We did our best to enter the receipts and disbursements and balance bank statements. As noted by the auditor, all deposits from [software name redacted] match up with deposits on bank statements. After receiving the results of the audit, we have consulted with someone familiar with [software name redacted] and discovered that receipts have to be assigned to a "customer" in [software name redacted] in order to show up on the receipt register. Then, the receipts are allocated to a deposit. I am not sure that not including the money on a receipt register should be counted against us in an audit when it is clear that all deposits have been made appropriately and accounted for.

Auditor's Reply: Strong internal controls dictate that ledgers are to be maintained to: (1) track receipts and disbursement transactions to be able to accurately reconcile transactions to monthly bank statements, including accounting for outstanding items; (2) facilitate the preparation of accurate financial statements at a given point in time; and (3) mitigate the risk of errors in financial reporting occurring due to fraud.

8. 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 -

The county attorney did not receive any KRS Chapter 218A asset forfeiture funds during the fiscal year.

The Honorable Blake Durrett, LaRue County Judge/Executive
The Honorable Kyle Williamson, LaRue County Attorney
Members of the LaRue County Fiscal Court
(Continued)

9. 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 -

Operating disbursements from the county attorney's records were reviewed and the amounts paid agreed to the invoices or other supporting documentation and bank information. All operating disbursements were for official operating expenses with the exception of two disbursements totaling \$268 for incurred late fees.

County Attorney's Response: The statement that the invoices were not for operating expenses is incorrect. The invoices were for operating expenses that were paid late and incurred late fees. The employee responsible for the late payments has been terminated.

Auditor's Reply: The two invoices were for operating expenses, but the late fees of \$268 incurred due to late payments are considered not allowable for official operating expense per state law.

10. 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.

11. Compliance 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.

12. 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.

The Honorable Blake Durrett, LaRue County Judge/Executive
The Honorable Kyle Williamson, LaRue County Attorney
Members of the LaRue County Fiscal Court
(Continued)

13. Compliance Procedure -

Determine if the county attorney filed an annual settlement with the Prosecutors Advisory Council within sixty (60) days of the close of the fiscal year. (KRS 69.370).

Finding -

The county attorney failed to file the annual settlement with the Prosecutors Advisory Council within sixty (60) days of the close of the fiscal year.

County Attorney's Response: This statement is somewhat misleading, as the annual settlement referred to was finished on the deadline date, but was not electronically mailed in by midnight due to an absence of the County Attorney. The County Attorney approved and tendered the settlement the next day, making the settlement merely hours late.

Auditor's Reply: Per KRS 69.370, the annual settlement is required to be filed with the Prosecutors Advisory Council (PAC) within sixty (60) days after the end of the fiscal year. The date signed by county attorney on the annual settlement statement for June 30, 2023, was one day past the sixty (60) day filing deadline, resulting in late filing of the annual settlement statement to PAC.

14. Compliance Procedure -

If the County Attorney vacated office, determine if the county attorney filed with the fiscal court in accordance with KRS 69.370 (2) a statement accounting for all funds received, disbursed, or held by the county attorney in his or her official capacity during his or her term of office, including the transfer of remaining funds to the successor in office as required, if applicable.

Finding -

These procedures are not applicable as there was no change in the county attorney.

The Honorable Blake Durrett, LaRue County Judge/Executive
The Honorable Kyle Williamson, LaRue County Attorney
Members of the LaRue County Fiscal Court
(Continued)

We were engaged by the LaRue 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 LaRue 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 LaRue County Attorney and the LaRue County Fiscal Court and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, KY

March 22, 2024