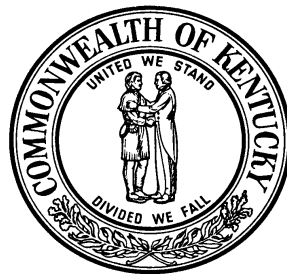


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
JACKSON COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2015 Through June 30, 2016**



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report
On Applying Agreed Upon Procedures

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Jackson County Property Valuation Administrator
McKee, Kentucky 40447

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue, and the Jackson County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2015 through June 30, 2016. PVA's management is responsible for the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 described 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 PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2016), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts and disbursements ledger. The PVA conducts monthly bank reconciliations. The June 30, 2016 bank reconciliation was accurate.

2. Procedure -

Confirm all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

All payments from the city have been confirmed and agreed to the PVA's receipts records. The list of city receipts is complete.

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William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Jackson County Property Valuation Administrator
(Continued)

3. Procedure -

Confirm all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by 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 PVA's local bank account.

Finding -

Payments made by the fiscal court to the PVA have been confirmed. The budgeted statutory contribution by the fiscal court agreed to the legally required amounts calculated by the Department of Revenue. Fiscal court payments were traced from the fiscal court statutory contribution budget account to the PVA's local bank accounts.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

The selected disbursements were for official business and agreed to cancelled checks. Five of the 15 disbursements examined did not have adequate supporting documentation or a paid invoice. The five unsupported disbursements were for the following items: postage, office supplies, a conference registration, travel expenses to the conference, and cash to establish a petty cash/change fund. The PVA does not maintain a credit card for office disbursements.

PVA's Response - The lost receipts are the fault of the PVA. Have already discussed new procedures for handling the receipts with staff.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Not applicable; there were no capital outlay disbursements made during the period.

6. 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 -

The PVA's agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized.

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Jackson County Property Valuation Administrator
(Continued)

7. Procedure -

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

Finding -

PVA's final budget was compared to actual expenditures and the PVA did not overspend in any account series.

8. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked by reviewing one pay period's timesheets.

Finding -

Timesheets were completed, maintained, and support hours worked. Timesheets were not signed by employees or the PVA to indicate approval.

PVA's Response - All time records will be signed from this date forward.

9. Procedure -

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

Finding -

Not applicable; there was no change in PVA.

10. Procedure -

For PVA office employees hired between July 1, 2015 and June 30, 2016, determine if the Ethics Certification Form has been completed and is on file.

Finding -

Not applicable; no new employees were hired between July 1, 2015 and June 30, 2016.

11. 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 PVA followed the proper procedures and completed the appropriate form for the days the office was closed other than the state's approved holidays.

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Paul Rose, Jackson County Property Valuation Administrator
(Continued)

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Finance and Administration Cabinet, Department of Revenue, and is not intended to be and should not be used by anyone other than these 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

November 14, 2016