

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

**For The Period
July 1, 2017 Through March 26, 2018**



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

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Pamela Womack, Former Simpson County Property Valuation Administrator
The Honorable Vicki Girten, Interim Simpson County Property Valuation Administrator
Franklin, Kentucky 42135

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue (DOR), and the former Simpson 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, 2017 through March 26, 2018. The former 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 former PVA had a receipts ledger, a disbursements ledger, and reconciled bank records to books each month. Re-perform the year-end bank reconciliation (February 28, 2018), for all bank accounts, to determine if amounts are accurate.

Finding -

The former PVA had a receipts and disbursements ledger. The former PVA conducted bank reconciliations; however, reconciliations for December 2017 through February 2018 were not performed monthly. The February 28, 2018 bank reconciliation was accurate.

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 had accounted for all city receipts.

Finding -

The payment from the city has been confirmed and agrees to the former PVA receipts records. The list of city receipts is complete.



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(Continued)

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 -

Payments made by the fiscal court to the former PVA have been confirmed. The budgeted statutory contribution by the fiscal court agreed to the legally required amounts calculated by the Department of Revenue. As of March 26, 2018, the fiscal court owes the Simpson County PVA \$3,385 by fiscal year end June 30, 2018. Fiscal court payments were traced from the fiscal court statutory contribution budget to the former PVA's local bank account.

4. 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 were for official business.

Finding -

The selected disbursements agreed to paid invoices or other supporting documentation and bank records. Disbursements were determined to be for official business. The credit card disbursements were for official business.

5. 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 PVA's Capital Asset Inventory List.

Finding -

Not applicable; the former PVA did not have any capital outlay disbursements.

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 former PVA's agreements and contract payments agreed to cost schedules, were for official business, and were properly authorized. However, the former PVA entered into a prepayment contract with no allowance for refund of any unused time.

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(Continued)

7. Procedure -

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

Finding -

This step could not be completed because the agreed-upon procedures engagement was performed before the fiscal year end and budget balancing procedures were not yet performed for the full fiscal year.

8. Procedure -

Determine whether timesheets were completed, maintained, approved, and supported hours worked by inspecting one pay period's timesheets.

Finding -

Time records were not completed, maintained, approved, and did not support the hours worked. The former PVA submitted leave and overtime authorization forms but did not maintain daily attendance records.

9. Procedure -

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

Finding -

Cash balances were properly transferred from the former PVA to the interim PVA.

10. Procedure -

For former PVA office employees hired between July 1, 2017 and March 26, 2018, determine if the Ethics Certification Form had been completed and is on file.

Finding -

The former PVA had the completed Ethics Certification Form on file for employees hired between July 1, 2017 and March 26, 2018.

11. Procedure -

Determine if the former 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's office was not closed any days other than the state's approved holidays.

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(Continued)

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 the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. 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.

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

April 16, 2018