

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

**For The Period
July 1, 2010 Through June 30, 2011**



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Independent Accountant's Report

Lori H. Flanery, Secretary, Finance and Administration Cabinet
The Honorable Jim Lawson
Menifee County Property Valuation Administrator
Frenchburg, Kentucky 40322

We have performed the procedures enumerated below, which were agreed to by the Menifee 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, 2010 through June 30, 2011. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Menifee County PVA. 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, 2011), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA maintained a receipts and disbursements ledger but did not reconcile bank records to books each month.

2. Procedure -

Confirm any and 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 -

The PVA did not bill for nor has he received payment from the City of Frenchburg during the engagement period.



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3. Procedure -

Confirm any and 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 -

The fiscal court's budgeted statutory contribution agreed to the amount calculated by the Department of Revenue and agreed to the amount deposited into the PVA's bank account.

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 -

All disbursements tested agreed to cancelled checks, paid invoices or other supporting documentation. Expenditures appeared to be for official business. No credit card transactions were noted.

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 -

There were no newly acquired assets for this test period. However, the PVA does not maintain a Capital Asset Inventory List.

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 -

No vehicle lease agreements, personal service contracts, and professional service contracts were noted. One lease agreement with Xerox was noted for the lease of a copy machine. Lease agreements compare reasonably to the actual payments to vendors. Services rendered appear to be appropriate, for official business, and properly authorized.

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7. Procedure -

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

Finding -

The PVA did not overspend any account series on his final budget.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Deposits were covered by FDIC; therefore, no additional collateral was necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets were not maintained according to the PVA Administrative Support Branch requirements. Timesheets were not signed by employees and the PVA.

10. Procedure -

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

Finding -

This procedure is not necessary since there was not a change in PVA.

11. Procedure -

For newly hired employees, during July 1, 2010 through June 30, 2011, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

No new employees were hired during the engagement period.

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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 PVA office was closed twice during the engagement period for reasons other than state holidays. Proper procedures and forms were completed for one closing but not the other.

We were not engaged to, and did not perform 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 Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Adam H. Edelen
Auditor of Public Accounts

April 3, 2012