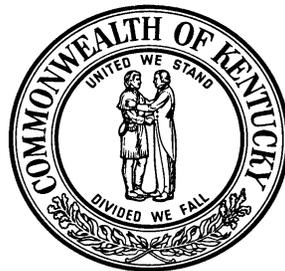


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
MCCRACKEN COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 01, 2014 Through June 30, 2015**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
www.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

Independent Accountant's Report
On Applying Agreed Upon Procedures

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Nancy Bock, McCracken County Property Valuation Administrator
Paducah, Kentucky 42001

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue, and the McCracken 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 01, 2014 through June 30, 2015. 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 the 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, 2015), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, a disbursements ledger and conducts monthly bank reconciliations for the main account each month. However, the miscellaneous account is not reconciled each month. The June 30, 2015 bank reconciliation for the main account was accurate.

Official's Response: Our miscellaneous account is used for PayPal deposits only. We verify monthly and print report and check statement. However moving forward we will enter deposits in Quicken and reconcile.

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.

209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817

TELEPHONE 502.564.5841

FACSIMILE 502.564.2912

WWW.AUDITOR.KY.GOV

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William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Nancy Bock, McCracken County Property Valuation Administrator
(Continued)

2. Procedure (Continued) -

Finding -

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

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 -

Payments made by the Fiscal Court to the PVA have been confirmed. The budgeted statutory contribution by the Fiscal Court agrees 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 disbursement is for official business. Review all credit card statements (if any) to determine if disbursements are for official business.

Finding -

The selected disbursements agree to cancelled checks, paid invoices, or other supporting documentation. Disbursements were determined to be for official business except for one. Not all the credit card disbursement receipts were maintained, so they could not be verified for official business.

Official's Response: The credit card receipts that could not be verified was matched up and scanned in office software. However, when we tried to pull them up it pulled another document up. This will be changed. The one expenditure that was determined not for official business will be reimbursed.

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 -

Proper purchasing procedures were not followed for the capital outlay disbursement. The capital outlay disbursement agreed to the cancelled check and supporting documentation. The location of the newly acquired asset was verified. The asset was added to the PVA's capital asset inventory list.

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Nancy Bock, McCracken County Property Valuation Administrator
(Continued)

5. Procedure (Continued) -

Official's Response: Incorrect information was given to me concerning whether you could trade a vehicle in. I thought as long as I kept it under \$20,000 I did not have to have a bid.

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 lease agreements and contract payments agree to cost schedules and the services received were appropriate, for official business, and properly authorized, except for one.

Official's Response: The only contract was one I has since 1999. Now it is understood month to month.

7. Procedure -

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

Finding -

The final budget was compared to actual disbursements, and the PVA overspent in two account series.

8. Procedure -

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

Finding -

Time records are completed, maintained, approved, and support the hours worked.

9. Procedure -

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

Finding -

Not applicable as no change in the PVA.

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Nancy Bock, McCracken County Property Valuation Administrator
(Continued)

10. Procedure -

For newly hired employees, during July 01, 2014 through June 30, 2015, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

The PVA has on file the completed Ethics Certification Form for the newly hired employee, hired during July 01, 2014 through June 30, 2015.

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 forms for the days the office was closed other than the state's approved holidays.

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,



Mike Harmon
Auditor of Public Accounts

February 08, 2016