

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

**For The Period
July 1, 2007 Through June 30, 2008**



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Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Ronald Moses
Whitley County Property Valuation Administrator
Williamsburg, Kentucky 40769

We have performed the procedures enumerated below, which were agreed to by the Whitley 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, 2007 through June 30, 2008. 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 Whitley 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, 2008), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA does not have a receipt ledger or a disbursement ledger. The PVA reconciles bank records to the checkbook each month. The year-end bank reconciliation as of June 30, 2008 was accurate.

PVA's Response -

Will do ledger sheet per month and comparison ledger for budget.



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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 -

All city payments were confirmed and were properly recorded and deposited by the PVA.

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 budgeted statutory contribution made by the Fiscal Court agreed to the legally required amount calculated by the Department of Revenue and was traced to 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 the cancelled checks, paid invoices or other supporting documentation and appear to be for official business. The auditor noted one instance in which the mileage reimbursement rate on the PVA's travel voucher was incorrect. Review of the credit card statements determined expenditures appear to be for official business except one late fee and one finance charge totaling \$43. We recommend the PVA reimburse the fee account for these expenditures.

PVA's response -

Will reimburse. Do not use card for personal only office use. Do not write checks and was unaware of fee.

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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 -

The auditor compared capital outlay disbursements for a vehicle lease, computer software, GPS, and office furniture to supporting documentation. All disbursements were properly documented. The PVA failed to comply with bid requirements for the vehicle, which cost more than \$20,000; however the proper purchasing procedures were followed for all other capital outlay disbursements. Although the PVA properly maintains these assets, the PVA did not list these or other assets owned by the PVA's office on the Capital Asset Inventory List.

PVA's Response -

Did not know. Thought it was per year. If it needs to be bid it will be bid. We are creating 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 -

Auditor review of a vehicle lease agreement and a copier lease agreement confirmed payments agreed to cost schedules, are for official business, and are properly authorized. Review of correspondence confirmed the PVA had entered into a computer support agreement however there was not a signed lease agreement between the PVA and the other party noting start date, or end date. Additionally, the PVA made a payment for an annual software maintenance agreement, but does not have a signed agreement between the PVA and the other party noting start date, end date, or details of service. Although the auditor was unable to review lease agreements for the computer support agreement and the software maintenance agreement, both appear to be for official business.

PVA's Response -

Companies have been notified and formal agreements will be signed within the month.

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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 auditor was unable compare the PVA's final budget to actual expenditures because the PVA did not maintain a disbursements ledger.

PVA's Response -

Will maintain comparison ledger with excel spreadsheet.

8. Procedure -

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

Finding -

Collateral nor a collateral agreement are not necessary for the PVA's funds since the highest daily balance did not exceed the FDIC limitation.

9. Procedure -

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

Finding -

Timesheets are completed, maintained, approved, and support hours worked.

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, 2007 through June 30, 2008, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

There were no newly hired employees between July 1, 2007 through June 30, 2008.

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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's office was closed on one and one half days in addition to the State's approved holidays. The PVA followed the proper procedures and completed the required documentation to notify the Department of Revenue of the closing for one day. The PVA failed to notify the Department of Revenue of the closing for the one half day.

PVA's Response -

Have notified Revenue and 1/2 day will be taken off each persons time.

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,



Crit Luallen
Auditor of Public Accounts

March 19, 2009