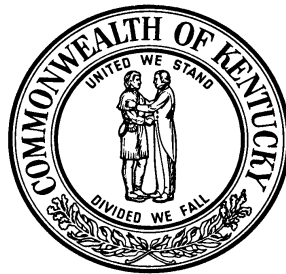


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
WHITLEY COUNTY CLERK**

**For The Period  
January 1, 2018 Through December 31, 2018**



**MIKE HARMON  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://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**

**SUMMARY OF PROCEDURES AND FINDINGS**

**AGREED-UPON PROCEDURES OF THE  
WHITLEY COUNTY CLERK**

For The Period January 1, 2018 Through December 31, 2018

The Whitley County Clerk applied for and received approval from the Auditor of Public Accounts (APA) to obtain an Agreed-Upon Procedures (AUP) engagement for calendar year 2018 in accordance with KRS 43.070(1)(c). AUP reports present the procedures performed and the results of those procedures, called findings. The summary below presents those findings for which an exception was identified during the AUP engagement.

During the AUP engagement of the Whitley County Clerk, the following exceptions were noted:

- One selected disbursement did not have supporting documentation from the vendor. Disbursements were for official business. Credit card disbursements were for official business.
- Excess fees due to fiscal court were recalculated and do not agree to the actual bank balance. There is \$4,684 in additional excess fees due to the fiscal court.
- The county clerk's lease agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not properly disclosed on the fourth quarter financial statement.

Findings related to procedures for which there were no exceptions identified, and official responses to exceptions are not included in the summary above, but can be found in the full report. An electronic copy of the report is available on the Auditor of Public Accounts' website at [www.auditor.ky.gov](http://www.auditor.ky.gov).

Respectfully,

Mike Harmon  
Auditor of Public Accounts  
June 13, 2019



THIS PAGE LEFT BLANK INTENTIONALLY



**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

The Honorable Pat White, Jr., Whitley County Judge/Executive  
The Honorable Kay Schwartz, Whitley County Clerk  
Members of the Whitley County Fiscal Court

We have performed the procedures enumerated below, which were agreed to by the Whitley County Clerk, on receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities for the period January 1, 2018 through December 31, 2018. The Whitley County Clerk is responsible for the accountability for receipts and disbursements, excess fees, recordkeeping, and leases, contracts, and liabilities. 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 enumerated 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 county clerk has a fourth quarter financial statement, a receipts ledger, and a disbursements ledger.

Finding -

No exceptions were found as a result of applying the procedure.

2. Procedure -

Determine that the county clerk's fourth quarter financial statement agrees to the county clerk's receipts ledger and disbursements ledger. Variances in total revenues or total disbursements that exceed 1% of gross revenues or exceed \$20,000 will be reported.

Finding -

No exceptions were found as a result of applying the procedure.

3. Procedure -

Compare the county clerk's operating disbursements (fourth quarter or settlement amounts) to the budget approved by the fiscal court to see if the county clerk overspent the budget.

Finding -

No exceptions were found as a result of applying the procedure.



The Honorable Pat White, Jr., Whitley County Judge/Executive  
 The Honorable Kay Schwartz, Whitley County Clerk  
 Members of the Whitley County Fiscal Court  
 (Continued)

4. Procedure -

Determine if the county clerk has a settlement of excess fees that was approved by fiscal court.

Finding -

No exceptions were found as a result of applying the procedure.

5. Procedure -

Obtain a list of accounts prepared by the county clerk that are applicable to the current calendar year.

Finding -

No exceptions were found as a result of applying the procedure. The county clerk maintains fee, usage, insurance escrow, web renewal, holding, and grant accounts.

6. Procedure -

Determine if the county clerk reconciles all bank accounts monthly. Re-perform the bank reconciliations for all accounts as of December 31, 2018, to determine what the reconciled ending balances are, and if bank reconciliations are accurate.

Finding -

No exceptions were found as a result of applying the procedure. The balances of the county clerk's accounts are:

Account Name:	Reconciled	
	Account Balance:	
2018 Fee Account	\$	4,684
Usage Account	\$	0
Insurance Escrow Account	\$	0
Web Renewal Account	\$	0
Holding Account	\$	1,330
Grant Account	\$	31,182

7. Procedure -

Determine if receipts are properly accounted for by comparing batched receipts to daily check-out sheets, deposit tickets, receipts ledger, and bank statements for a randomly selected week.

Finding -

No exceptions were found as a result of applying the procedure.

The Honorable Pat White, Jr., Whitley County Judge/Executive  
 The Honorable Kay Schwartz, Whitley County Clerk  
 Members of the Whitley County Fiscal Court  
 (Continued)

8. Procedure -

Determine if the county clerk prepared 12 monthly reports for delinquent tax. Test payments to districts for one randomly selected month's delinquent tax disbursements to confirm that payments were made timely and disbursements agreed to the monthly report.

Finding -

No exceptions were found as a result of applying the procedure.

9. Procedure -

Judgmentally select 15 operating disbursements from county clerk's records and agree amounts to paid invoices or other supporting documentation and cancelled checks. Determine if the disbursement is for official business. Inspect all credit card statements (if any) to determine if disbursements are for official business.

Finding -

One selected disbursement did not have supporting documentation from the vendor. Disbursements were for official business. Credit card disbursements were for official business.

*County Clerk's Response: Clerk has corrected this issue.*

10. Procedure -

Determine excess fees due to fiscal court by recalculating the difference between total receipts and total disbursements. Verify amounts paid to determine if additional excess fees are due to the fiscal court.

Finding -

Excess fees due to fiscal court were recalculated and do not agree to the actual bank balance. There is \$4,684 in additional excess fees due to fiscal court.

Total Receipts	\$	7,453,985
Total Disbursements		<u>7,412,682</u>
Excess Fees Due County for 2018	\$	41,303
Payment to Fiscal Court		<u>38,000</u>
Balance Due Fiscal Court		3,303
Bank Balance as of End of Fieldwork		<u>4,684</u>
Unknown Variance	\$	<u><u>(1,381)</u></u>

*County Clerk's Response: This variance is due to our Insurance Escrow Account. Will take the recommendation of Auditor to transfer by end of year.*

The Honorable Pat White, Jr., Whitley County Judge/Executive  
The Honorable Kay Schwartz, Whitley County Clerk  
Members of the Whitley County Fiscal Court  
(Continued)

11. Procedure -

Verify that the county clerk's maximum salary order for deputies was not overspent.

Finding -

No exceptions were found as a result of applying the procedure.

12. Procedure -

Determine whether payroll charges are properly supported by verifying that timesheets are completed, maintained, approved, and support hours paid by inspecting one pay period's timesheets for all employees. (Not applicable to fee pooling counties)

Finding -

No exceptions were found as a result of applying the procedure.

13. Procedure -

Determine that the county clerk was paid the statutory maximum.

Finding -

The county clerk was paid \$99,291. The statutory maximum salary was \$99,291.

14. Procedure -

Scan lease agreements and service contracts and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized. Determine if liabilities requiring disclosure were properly disclosed on the fourth quarter financial statement.

Finding -

The county clerk's lease agreements and contract payments agreed to cost schedules and the services received were appropriate, for official business, and properly authorized. Liabilities requiring disclosure were not properly disclosed on the fourth quarter financial statement.

*County Clerk's Response: Will take recommendation of Auditor.*

15. Procedure -

Verify the county clerk is properly bonded.

Finding -

No exceptions were found as a result of applying the procedure.



The Honorable Pat White, Jr., Whitley County Judge/Executive  
The Honorable Kay Schwartz, Whitley County Clerk  
Members of the Whitley County Fiscal Court  
(Continued)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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, excess fees, recordkeeping, and leases, contracts, and liabilities of the Whitley County Clerk. 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 Whitley County Clerk and the Whitley County Fiscal Court, and is not intended to be and should not be used by anyone other than the 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

June 13, 2019