

Audit Committee

February 16, 2012

5:00pm

The Audit Committee met on Thursday February 16, 2012 at 5:00pm in the Mayor's Conference Room of the Carter County Courthouse. Members present were Dave Wortman, Margaret Moses, Travis Holly and Margaret Pate.

Guest included Mayor Leon Humphrey, Trustee Randal Lewis, Leisa Wright, Circuit Court Clerk Assistant Johnny Blankenship and Tracy Guy, Finance Director Ingrid Deloach, Sheriff Chris Mathes, Debbie Street and other interested parties.

Chairman Dave Wortman called the meeting to order and welcomed everyone present. The meeting was called to hear from offices with findings in the June 30, 2011 Annual Financial Report for Carter County, Tennessee.

OFFICE OF TRUSTEE

Finding 11.04: *The Trustee's Depository Used An Unauthorized Method Of Paying County Warrants.* Trustee, Randal Lewis stated the deficiency was corrected subsequent to June 30, 2011. The Trustee implemented a checking system for disbursing funds and the process is running smoothly at the present time and will not be a finding in the future.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

Finding 11.05: *Execution Docket Trial Balances Did Not Reconcile With General Ledger Accounts.* A material recurring audit finding for three or more consecutive years, Circuit Court Clerk's Representative, Johnny Blankenship updated the committee as to the status of the findings as an ongoing issue until adjustments are made to the general ledger accounts. Comptroller's Office suggested Blankenship contact the County Attorney for legal representation. Motion was made by Dave Wortman for Blankenship to contact the County Attorney to research with the state as to the proper procedure to write off the discrepancies from previous years, second by Margaret Pate, motion carried.

Finding 11.06: *Abstract Bills Of Costs Were Not Filed With The State In A Timely Manner.* Report was given by Tracy Guy regarding the abstract bills process. Guy stated the accounts were current and up to date. They do not foresee any problems with the accounts in the future.

Finding 11.07: *Court Software Did Not Have Adequate Application Controls.* Blankenship stated that the problem has been corrected. User name and password must be entered each time a new receipt is entered into the system. Security feature of the new software system is very efficient; they do not foresee any problems in the future.

OFFICE OF SHERIFF

Finding 11.08: *The Office Had Deficiencies In The Sale Of Surplus Police Vehicles.* Sheriff Mathes stated that he was unaware there was a policy regarding the sale of surplus patrol vehicles. Officials have been trained on the policy and he assured the committee it will not happen again. A Property Disposition Form will be filed to identify the property declared for disposition, approved by the Finance Director and notification will be given of where and when to deliver the surplus items.

CARTER COUNTY

Finding 11.01 11.02: *The Office Did Not Comply With Local Personnel Policies For Payroll.*

Finance Director Ingrid Deloach stated that the Personnel Policies are up to each Office Holder who has assured the proper paperwork will be attached to the time sheets. Issues with the Planning Director and Sheriff Department have been taken care of and should not occur again.

OFFICE OF DIRECTOR OF SCHOOLS

Finding 11.03: *Carter County Did Not Properly Report Expenditures To The Tennessee Department Of Education For Certain Federal Grants Including American Recovery And Reinvestment Act (ARRA)*

Grants. Finance Director Ingrid Deloach stated she was representing the School System because the error was her responsibility. Ms. Deloach was not aware there were two reporting systems for Federal Grants, E Reporting and FACTS (Federal Application Consolidated Tracking System). Both are monitored by the State with the same exact information on the reports, however the State requires both reports be completed and she only completed the E Reporting. Once she was notified of the problem she corrected it. Ms. Deloach is presently training in Knoxville for the process and this should not be an issue in the future.

Motion to adjourn was made by Dave Wortman, second by Travis Holly, there being no further business the meeting was adjourned.

Respectfully Submitted,

Debbie Street
Recording Secretary