

## Audit Committee

April 21, 2011

The Audit Committee met in an organizational meeting on Thursday April 21, 2011 at 6:00pm in the Mayor's Conference Room of the Carter County Courthouse. Members present were Dave Wortman, Margaret Moses, Margaret Pate and Travis Holly.

Guest included Mayor Leon Humphrey, Circuit Court Clerk John Paul Mathes, Trustee Randal Lewis, Johnny Blankenship, Jamie Carpenter and Debbie Street.

The Mayor opened the meeting by welcoming everyone and opening the floor for nominations for Chair Person of the Audit Committee.

Motion to nominate Dave Wortman as Chairman by Margaret Moses, second by Travis Holly. Motion Carried.

Chairman Wortman opened the floor to nominate a Vice Chairman.

Motion to nominate Margaret Moses as Vice Chairman was made by Travis Holly, second by Margaret Pate. Motion Carried.

Motion to nominate Margaret Pate as Secretary was made by Margaret Moses, second by Travis Holly. Motion Carried.

Acknowledgment was made by the Mayor that Randal Lewis had a death in the family, condolences were given by everyone.

Chairman Wortman stated the members had been asked to serve as an Audit Committee to address the County's Audits from the past year and recommend corrections.

Trustee Randal Lewis updated the committee on the procedure of the Warrant System. The State has instructed the Trustee's Office to inform the Finance Department of the amount of funds in the bank account before they write checks. The process in the past and currently is to go to the local bank where the Warrant Account is held and acquire a daily statement that gives a detailed description of the funds in the account. The Bookkeeper, (Leisa Wright) for the Trustee's Office spoke to the State Auditor, Brad Burke April 20, 2011 and provided him with a Payable Batch Release Form which was created by the previous Finance Director Jerome Kitchens. The form provides the warrant numbers and amounts. Mr. Burke said he would get back with the Trustee's Office on Monday and let them know if the form will be acceptable or not. Copies of the form were provided to the committee and the Mayor. Mr. Lewis has also visited a Greene County Bank and looked at their warrant process. Out of the 95 counties there are approximately 57 counties that still use the Warrant System. At this time checks issued by the Finance Department are not going through the Trustee's Office. The committee requested Mr. Lewis meet with them again and report on the progress he has made with the State Auditor. Mr. Lewis stated he would like to bring a representative from the bank to set in on the next meeting to explain the distinction of a warrant and a check.

Circuit Court Clerk John Paul Mathes appeared before the committee along with his Administrative Assistant Johnny Blankenship and Bookkeeper Jamie Carpenter. Mr. Mathes informed the committee

that he has contracted Blackburn Childress and Stegal, CPA firm to help clear up the findings in the Annual Financial Report ending June 2010; they are expected to arrive Monday April 25, 2011 to begin the process. Estimated cost for the audit is \$5,000. The Clerk's Office has a total of three checking accounts; funds are moved from one account to another and reconciled. Ms. Carpenter's duties consist of civil judgments, ticket failures, reconciling checking accounts, all types of garnishments, as well as other duties required to run the office on a daily basis. Constant interruptions are unavoidable in the office. Ms. Carpenter stated that she cannot fix the problem. Mr. Mathes would like to bring an Auditor to the next meeting to give an update on their progress. Johnny Blankenship stated that some of the findings are a result from years past. The State Auditor Brad Burke has stated that the findings will be very difficult to find and that they may go back twenty years or more. Each year the audit is completed, the accounts remain out of balance. Blankenship also stated the office will be moving from the Bridge Computer System software to Icon Computer System. Icon is out of Georgia, they service five states including clerk and court systems. Plans are to start with the new software on July 1, 2011. Recently the staff went to a Clerk's Office in Walker County Georgia to view the Icon Computer System in action. Mr. Mathes stated he could provide a report to the committee in three weeks on the progress they have made.

Chairman Dave Wortman requested that once the Auditors have given some guidance as to a time frame Mr. Mathes should contact the Mayor' Office and schedule the next meeting. Both the Trustee Office and Circuit Court Clerk Office will address the committee with updates of their progress at that time. The next meeting will be held at 5:00pm.

Respectively submitted,

Debbie Street  
Recording Secretary