

WEAKLEY COUNTY, TENNESSEE**AUDIT COMMITTEE****Monday, May 7, 2018 – 10:00 a.m. – Conference Room, Dept. of Finance – Dresden, TN****Audit Committee Members Present:** Commissioner Larry Taylor, Mr. Charles Covington, & Mr. Jackie Reese**Audit Committee Members Absent:** None

The Audit Committee met on Monday, May 7, 2018, at 10:00 a.m. in the conference room at the Department of Finance in Dresden, TN. Others present included Mayor Jake Bynum, Director of Finance John Liggett, and Sheriff Mike Wilson.

Commissioner Taylor called the meeting to order at 10:00 a.m.

APPROVAL OF MINUTES:

Mr. Covington made the motion to approve the minutes from the May 7, 2018, Audit Committee Meeting and with a second by Mr. Reese, the motion to approve passed unanimously.

OLD BUSINESS:

Commissioner Taylor mentioned that he, Mr. Covington, and Mr. Reese had met with Mandy Spencer, Tiffany Hurt, and Lee Ann West from the TN Division of Local Government Audit on March 19, 2018. He stated that they had discussed the process and the audit findings, and explained that in the recommendations taken away from that meeting, he suggested having the District Attorney to assist in the collection of any monies due the county. Commissioner Taylor stated that he took notes from the March 19, 2018, meeting and asked that they be included with the minutes from the May 7, 2018, meeting. [Attached.]

NEW BUSINESS:**Discussion of Audit Finding – Weakley County Sheriff's Department**

Commissioner Taylor asked Sheriff Mike Wilson to explain what happened to create the audit finding. Sheriff Wilson stated that one of his deputies had mistakenly not reconciled his expenditures. To ensure that such a mistake would not happen again in the future, Sheriff Wilson stated that he had implemented a system in which a reconciliation and expenditure sheet had to be presented on a monthly basis to superiors as well as the Sheriff.

Discussion of Audit Finding – Weakley County Department of Finance

Director Liggett began by saying that \$16,056.50 paid by the county to former educator Justin Curtis was returned to the county by the former employee, who was being paid after terminated. There was some discussion about the resulting shortage for social security, the removal of months of service counted towards retirement for the former employee, and prevention measures. Director Liggett said that the county's TCRS actuarial rate would be affected, but an actual refund would not be issued for retirement paid on the former employee's behalf. He added that such mistakes would be prevented in the future by the implementation of a form for notification of payroll changes, and mentioned that an employee verification list for employees without time cards would also be reviewed quarterly by the Board of Education. There was more discussion about proper measures, responsibility, weaknesses in pre-existing internal controls, and checks in place to prevent future challenges and issues.

Discussion of Audit Finding – Weakley County Department of Finance


Director Liggett began by explaining the discovery of the problem, and said that when the TCRS program implemented the Hybrid Plan in 2014, it does not appear that Weakley County teachers were provided with the opportunity to contribute based on the guidelines of the hybrid plan for teachers. Director Liggett stated that the error was discovered after a telephone call with Empower Retirement as they were reviewing an employee in the

system. He said that the Empower Representative repeatedly mentioned a 2% automatic enrollment contribution, and Director Liggett explained that no employees were, or had ever, been set up with such a deduction. After a thorough investigation and some meetings with TCRS and Empower, Director Liggett said that the Tennessee Department of Treasury had been hard at work calculating figures for Weakley County's fiscal responsibility. He went on to talk about the payroll liability accounts not being reconciled to zero and education employees who are paid from several distribution lines. He finished by saying that he hoped to have all of the information from TCRS back by the end of the fiscal year.

OTHER BUSINESS

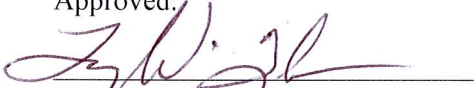
Having no other business, Mr. Charles Covington made the motion to adjourn and with a second by Mr. Jackie Reese, the meeting was adjourned at 10:32 a.m.

Respectfully Submitted,



Erica Moore, Secretary, Audit Committee

Approved:



Larry Taylor, Chairperson
Audit Committee

Date: 5-14-19

MARCH 19, 2018

ORIGINAL

- ① Time Frame of Shortage: Aug. 19, 2016 to May 4, 2017
Approx 9 mos.
- ② In Feb 2016 Justin Curtis asked AN Employee to start depositing his paychecks to a new bank acct. This Employee did not inform Finance Director of this request
Approx 6 mos.
- ③ In April 2017, School Principal in Glenshaw informed current Finance Director that Justin Curtis was not an employee of the Weakley County Schools.
- ④ District Atty. General:
At beginning of audit auditors talked to Renee Hansen, Ass't D.A. about former Employee receiving paychecks subsequent to his termination.
When audit was completed audit findings were emailed to Renee Hansen. No response was received by Auditor concerning audit findings.
- ⑤ There was not a paper trail from the School Dept. to the Finance Dept showing that the former Employee (Justin Curtis) was no longer an employee of the Weakley County Schools as of Aug 19, 2016. School Department apparently was not submitting payroll information each pay period.

Audit Committee's Recommendations:

County Attorney to contact District Atty General to assist County in the collection of the cash

Shortage of \$ 17,284.82