

WEAKLEY COUNTY, TENNESSEE
AUDIT COMMITTEE

Tuesday, May 14, 2019 – 10:00 a.m. – Conference Room, Department of Finance – Dresden, TN

Audit Committee Members Present: Commissioner Larry Taylor, Mr. Charles Covington, & Mr. Jackie Reese

Audit Committee Members Absent: None

The Weakley County Audit Committee met on Tuesday, May 14, 2019, at 10:00 a.m. in the conference room at the Department of Finance in Dresden, Tennessee. Present was Audit Committee Chairperson Larry Taylor, Charles Covington, and Jackie Reese. No members were absent. Others present were Weakley County Mayor Jake Bynum and Director of Finance John Liggett.

APPROVAL OF MINUTES:

Chairperson Taylor called the meeting to order at 10:07 a.m. Mr. Jackie Reese made a motion to approve the committee minutes from May 7, 2018, and with a second by Mr. Covington, the motion passed unanimously.

OLD BUSINESS:

Chairperson Taylor highlighted page 247 of the Annual Financial Report for Weakley County, Tennessee, released by the Tennessee Comptroller of the Treasury Division of Local Government Audit for the fiscal year ending June 30, 2018, and stated that both findings had been corrected.

NEW BUSINESS:

REVIEW, DISCUSS, AND CONSIDER APPROVAL OF 2017-2018 FY AUDIT REPORT + DISCUSS RECOMMENDATIONS FOR WRITTEN AUDIT COMMITTEE REPORT

Chairperson Taylor asked Director of Finance Liggett to explain the findings shown in the Audit Report. Director Liggett explained that the first finding. He started in saying that all teachers hired after July 1, 2014, must be reported as hybrid pension plan employees in accordance with the Tennessee Consolidated Retirement System. He said that it did not appear, dating back to July 2014, that teachers under the hybrid pension plan were properly reported to Empower Retirement. He said that the hybrid pension designation requires that teachers under this plan be automatically enrolled in a 2% payroll deduction, and that the funds are invested in the employee's defined contribution plan unless the employee opts out of the deduction with Empower. Mr. Liggett went on to say that because applicable employees were not properly reported by Weakley County, again, dating back to July 2014, Empower Retirement did not send auto-enrollment notification and information on opting out to teachers under the hybrid pension plan.

Director Liggett stated that the issue was discovered by management in June 2017, and that since that time, the Department of Finance has worked extensively with the County Technical Assistance Service (CTAS), the Tennessee Consolidated Retirement System (TCRS), and Empower Retirement to correct the issue. He confirmed that all employees are now being reported correctly each month and that teachers in the hybrid pension plan are now receiving notification of the auto-enrollment requirement and the option to decline contributing these funds. He said that during the process of resolving this issue, Weakley County was informed that contributions would be required on behalf of employees dating back to July 2014 who were not notified of the auto-enrollment feature and given the option of contributing through this mechanism. Director Liggett ascertained that TCRS and Empower, with assistance from the Department of Finance, has calculated the amount of the missed contributions. He said that also calculated was a lost earnings estimate for those missed contributions.

Director Liggett went on to say that on April 29, 2019, Weakley County made a payment of \$13,499.17 in missed contributions for forty-eight (48) current and former employees. He said that on May 1, 2019, Weakley County

made a payment, on behalf of these same teachers, for the lost earnings on the missed contributions in the amount of \$1,798.23, and that with this payment, Weakley County considers this situation to be resolved and all contributions are current and accounted for at this time.

Director Liggett relayed that the second audit finding concerned improper receipting practices at the Weakley County Solid Waste Convenience Center. He commented that donation transaction records were being kept in a notebook in lieu of a proper pre-numbered receipt book, but that the center had created and purchased custom pre-numbered receipt books since the finding to remedy the issue. He mentioned that there was also a note in the audit regarding designation of duties in that the employee maintaining the accounting records was also responsible for receipting and depositing of funds. Director Liggett stated that action was taken to clearly designate those duties resulting in correction of the finding.

Mr. Charles Covington made the motion to approve the Annual Financial Report for Weakley County for the fiscal year ending June 30, 2018, and recommend it to the full county commission, and with a second by Mr. Jackie Reese, the motion passed unanimously.

Chairperson Taylor asked that specific items from the Annual Financial Report for the Year Ending June 30, 2018, be included in the written Audit Report to be considered by the full county commission. Those items included the summary schedule of prior-year financial statement findings, schedule of findings and questioned costs, findings related to the financial statements, the management's corrective action plan, and the management's discussion and analysis with financial highlights.

OTHER BUSINESS

Having no other business, Mr. Jackie Reese made the motion to adjourn, and with a second by Mr. Charles Covington, the meeting adjourned at 10:27 a.m.

Respectfully Submitted,



Erica Moore, Secretary, Audit Committee

Approved:



Larry Taylor, Chairperson
Audit Committee

Date: 6-24-20