

# HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT

## AUDIT COMMITTEE

MARCH 16, 2021 | 6:00PM | TC COURTHOUSE | VIRTUAL OPTION

<https://zoom.us/> | Room ID 819 5031 9630 | Passcode: 012997

### Agenda

1. Open Meeting
2. Attendance
3. Review Minutes from February 11, 2020
4. Elect Officers
  - A. Chair
  - B. Vice Chair
  - C. Secretary
5. Review FY 2020 Report
  - A. Fund Balances
  - B. Audit Findings
    - County General
      - Sheriff's Department

*Please note these have been addressed and corrected.*

      - (1) 2020-001 Duties were not segregated adequately in the office of Sheriff
      - (2) 2020-002 Some funds were not deposited within three days of collection
    - Highway Department– *none*
    - Schools– *none*
    - Water Department – *none*
6. Other Business
7. Public Comment
8. Adjourn

# **Audit Committee Meeting Minutes**

February 11, 2020 at 6:00 P.M.  
Trousdale County Court House

- Members Present:** Richard Harsh, Mary Ann Baker, Steve Whitaker, Beverly Atwood and Coy Dickey.
- Members Absent:** Rachel Jones and Grace Thomas.
- Others Present:** Jeff Bailey of Tn Comptroller Office, Sheriff Ray Russell, Executive Assistant Amy Thomas, Water Superintendent Tommy McFarland and Mayor Stephen Chambers.

Chairman Richard Harsh called the meeting to order and thanked everyone in attendance.

## **1. Election of Officers.**

- a. Chairman – Mary Ann Baker nominated Richard Harsh for Chairman. With no other nominations, Richard Harsh was elected as Chairman.
- b. Vice Chairman – Mary Ann Baker nominated Steve Whittaker for Vice Chairman. With no other nominations, Steve Whittaker was elected as Vice Chairman.
- c. Secretary – Beverly Atwood nominated Mary Ann Baker for Secretary. With no other nominations, Mary Ann Baker was elected as Secretary.

## **2. Review Fund Balances**

Mrs. Amy Thomas advised that included with the agenda was a highlight of the different fund balances at the ending of the fiscal audit 6 of the 9 accounts had positive net change and 3 had negative net changes, however overall all accounts had healthy balances. Mrs. Thomas and Mr. Bailey were available for any questions.

## **3. Review Audit Findings**

- a. County General – none
- b. Highway Department – none
- c. Schools – none
- d. Water Department – 2019-001 Deficiencies in the maintenance of Capital Asset Records.

Mr. McFarland advised that the finding had been corrected by utilizing an excel spreadsheet received from the auditor and a corrective action plan had been submitted to the Comptroller Office.

## **4. Other Business**

Chairman Harsh asked Mr. Bailey if he had any recommendations for this committee based on the Audit. Mr. Bailey advised that only 1 finding for the whole county was very good and his office encouraged Audit Committees and they have been successful. Commissioner Atwood asked if Mr. Bailey had any recommendations for this committee moving forward and he advised to stay active.

**No Meeting scheduled at this time**

## **5. Adjourn**

Beverly Atwood made a motion to adjourn at 6:12 P.M.

*Minutes submitted by Mary Ann Baker*

## **Officer Elections**

Officers elected at previous meeting:

Chair: Richard Harsh

Vice Chair: Steve Whittaker

Secretary: Mary Ann Baker

## Fund Balances per FY2020 Audit

Fund	Beginning Balance	Net Change	Ending Balance		Projected Balances per Budget	Projected Net Change per Budget
	7/1/2019		6/30/2020		6/30/2020	6/30/2020
101 - General Fund	3,889,093 ↓	(38,591)	<b>3,850,502</b>	pg 29	2,310,211	(1,578,882)
111 - Urban Services	1,107,320 ↑	88,980	<b>1,196,300</b>	pg 125	716,069	(391,251)
116 - Solid Waste	572,321 ↑	11,946	<b>584,267</b>	pg 125	235,689	(336,632)
118 - Ambulance Services	577,452 ↓	(35,051)	<b>542,401</b>	pg 125	457,195	(120,257)
122 - County Drug Fund	63,151 ↓	(2,126)	<b>61,025</b>	pg 125	36,497	(26,654)
151 - Debt Services	433,835 ↑	50,488	<b>484,323</b>	pg 127	415,483	(18,352)
156 - Education Debt Services <i>Wheel Tax / 2002 High School</i>	701,822 ↓	(158,043)	<b>543,779</b>	pg 127	399,659	(302,163)
131 - Highway Fund	800,958 ↑	387,277	<b>1,188,235</b>	pg 125	273,277	(527,681)
141 - General Purpose School	3,963,918 ↓	(605,560)	<b>3,358,358</b>	pg 149	2,274,998	(1,688,920)
<b>Total Fund Balance</b>	<b>12,153,517</b>	<b>(300,680)</b>	<b>11,853,202</b>		7,119,078	(4,990,792)

Exhibit C-5

Hartsville/Trousdale County Government, Tennessee  
 Statement of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
 For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 4,166,702	\$ 0	\$ 0	\$ 4,166,702	\$ 3,829,941	\$ 3,833,173	\$ 333,529
Licenses and Permits	121,864	0	0	121,864	81,350	81,350	40,514
Fines, Forfeitures, and Penalties	84,728	0	0	84,728	88,830	88,830	(4,102)
Charges for Current Services	46,741	0	0	46,741	41,625	41,625	5,116
Other Local Revenues	237,438	0	0	237,438	137,028	144,478	92,960
Fees Received From County Officials	513,675	0	0	513,675	503,000	503,000	10,675
State of Tennessee	480,825	0	0	480,825	827,334	358,537	122,288
Federal Government	239,416	0	0	239,416	117,000	664,627	(425,211)
Other Governments and Citizens Groups	24,327	0	0	24,327	15,000	17,000	7,327
<b>Total Revenues</b>	<b>\$ 5,915,716</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,915,716</b>	<b>\$ 5,641,108</b>	<b>\$ 5,732,620</b>	<b>\$ 183,096</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 75,915	\$ 0	\$ 857	\$ 76,772	\$ 77,717	\$ 84,194	\$ 7,422
Beer Board	0	0	0	0	423	423	423
County Mayor/Executive	256,395	(23)	362	256,734	273,241	272,241	15,507
County Attorney	28,694	0	0	28,694	30,100	35,100	6,406
Election Commission	104,959	(840)	2,062	106,181	126,951	126,951	20,770
Register of Deeds	108,668	(37)	573	109,204	112,795	112,795	3,591
Planning	73,922	(147)	555	74,330	91,931	91,931	17,601
Codes Compliance	147	0	0	147	1,500	1,500	1,353
County Buildings	208,703	(472)	4,067	212,298	227,368	240,097	27,799
Preservation of Records	2,868	(174)	167	2,861	2,365	4,365	1,504
<b>Finance</b>							
Property Assessor's Office	132,781	(15)	70	132,836	137,378	137,378	4,542
County Trustee's Office	132,714	0	0	132,714	137,038	137,038	4,324
County Clerk's Office	130,946	0	1,111	132,057	130,977	134,027	1,970
Data Processing	68,451	(6,480)	0	61,971	80,614	80,614	18,643
<b>Administration of Justice</b>							
Circuit Court	177,509	(54)	317	177,772	200,800	200,800	23,028

(Continued)

Exhibit C-5

Hartsville/Trousdale County Government, Tennessee  
 Statement of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
General Sessions Court	\$ 94,434	\$ 0	\$ 0	\$ 94,434	\$ 98,399	\$ 98,399	\$ 3,965
Chancery Court	126,132	0	861	126,993	128,312	128,312	1,319
Judicial Commissioners	29,473	(75)	150	29,548	33,383	33,383	3,835
Courtroom Security	106,982	0	0	106,982	147,949	147,949	40,967
<u>Public Safety</u>							
Sheriff's Department	1,268,196	(15,170)	104,672	1,357,698	1,482,098	1,493,864	136,166
Drug Enforcement	64,310	0	0	64,310	71,502	71,502	7,192
Administration of the Sexual Offender Registry	402	0	0	402	6,400	6,400	5,998
Jail	1,018,941	(4,193)	11,066	1,025,814	1,105,544	1,105,544	79,730
Workhouse	118,940	0	8,087	127,027	87,934	134,934	7,907
Juvenile Services	42,471	0	0	42,471	48,967	48,967	6,496
Fire Prevention and Control	393,886	(17,641)	9,104	385,349	375,720	398,240	12,891
Rescue Squad	75,387	(15,757)	3,680	63,310	72,080	76,530	13,220
Other Emergency Management	105,786	(1,593)	923	105,116	100,600	115,100	9,984
Inspection and Regulation	123	0	0	123	1,500	1,500	1,377
County Coroner/Medical Examiner	23,848	0	0	23,848	40,200	40,200	16,352
<u>Public Health and Welfare</u>							
Local Health Center	23,399	0	39	23,438	32,589	32,589	9,151
Rabies and Animal Control	60,793	(3,231)	424	57,986	58,140	61,140	3,154
Alcohol and Drug Programs	2,531	(1,466)	600	1,665	8,980	8,980	7,315
Other Local Health Services	22,798	0	0	22,798	10,270	22,896	98
Sanitation Education/Information	40,052	(2,927)	5,807	42,932	44,200	44,200	1,268
Other Public Health and Welfare	9,500	0	0	9,500	9,500	9,500	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	41,288	(114)	87	41,261	43,570	44,070	2,809
Libraries	120,339	(10)	894	121,223	123,045	123,045	1,822
Parks and Fair Boards	97,458	(2,898)	498	95,058	170,594	170,594	75,536
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	48,961	(609)	0	48,352	50,554	50,054	1,702

(Continued)

Exhibit C-5

Hartsville/Trousdale County Government, Tennessee  
 Statement of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Soil Conservation	\$ 13,227	\$ 0	\$ 0	\$ 13,227	\$ 13,228	\$ 13,228	\$ 1
<u>Other Operations</u>							
Other Economic and Community Development	63,820	(40)	1,675	65,455	516,755	516,755	451,300
Veterans' Services	12,555	0	191	12,746	18,424	18,424	5,678
Other Charges	309,199	(14,461)	13,970	308,708	338,600	338,600	29,892
Employee Benefits	4,510	0	0	4,510	10,500	10,500	5,990
Miscellaneous	19,002	0	0	19,002	18,650	19,003	1
Total Expenditures	\$ 5,861,415	\$ (88,427)	\$ 172,869	\$ 5,945,857	\$ 6,899,385	\$ 7,043,856	\$ 1,097,999
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 54,301	\$ 88,427	\$ (172,869)	\$ (30,141)	\$ (1,258,277)	\$ (1,311,236)	\$ 1,281,095
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 29,423	\$ 0	\$ 0	\$ 29,423	\$ 0	\$ 14,410	\$ 15,013
Transfers Out	(122,315)	0	0	(122,315)	(122,316)	(122,316)	1
Total Other Financing Sources	\$ (92,892)	\$ 0	\$ 0	\$ (92,892)	\$ (122,316)	\$ (107,906)	\$ 15,014
Net Change in Fund Balance	\$ (38,591)	\$ 88,427	\$ (172,869)	\$ (123,033)	\$ (1,380,593)	\$ (1,419,142)	\$ 1,296,109
Fund Balance, July 1, 2019	3,889,093	(88,427)	0	3,800,666	3,690,802	3,690,802	109,864
Fund Balance, June 30, 2020	\$ 3,850,502	\$ 0	\$ (172,869)	\$ 3,677,633	\$ 2,310,209	\$ 2,271,660	\$ 1,405,973

The notes to the financial statements are an integral part of this statement.

Exhibit G-2

Hartsville/Trousdale County Government, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2020

	Special Revenue Funds					Total
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	
<u>Revenues</u>						
Local Taxes	\$ 560,438	\$ 642,151	\$ 471,296	\$ 0	\$ 112,640	\$ 1,786,525
Licenses and Permits	72,167	0	0	0	0	72,167
Fines, Forfeitures, and Penalties	0	0	0	18,005	0	18,005
Charges for Current Services	221,739	223,896	558,895	0	0	1,004,530
Other Local Revenues	400	39,351	6,274	0	1,892	47,917
State of Tennessee	235,663	245,209	0	0	2,011,312	2,492,184
Federal Government	417,706	0	13,512	0	0	431,218
Other Governments and Citizens Groups	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$ 1,508,113</b>	<b>\$ 1,150,607</b>	<b>\$ 1,049,977</b>	<b>\$ 18,005</b>	<b>\$ 2,125,844</b>	<b>\$ 5,852,546</b>
<u>Expenditures</u>						
Current:						
Public Safety	\$ 414,111	\$ 0	\$ 0	\$ 20,131	\$ 0	\$ 434,242
Public Health and Welfare	268,223	1,084,597	1,085,028	0	0	2,437,848
Social, Cultural, and Recreational Services	4,000	0	0	0	0	4,000
Other Operations	145,403	54,064	0	0	0	199,467
Highways	13,617	0	0	0	1,743,217	1,756,834
Debt Service:						
Principal on Debt	30,000	0	0	0	0	30,000
Interest on Debt	2,949	0	0	0	0	2,949
Other Debt Service	0	0	0	0	0	0
Capital Projects	517,060	0	0	0	0	517,060
<b>Total Expenditures</b>	<b>\$ 1,395,363</b>	<b>\$ 1,138,661</b>	<b>\$ 1,085,028</b>	<b>\$ 20,131</b>	<b>\$ 1,743,217</b>	<b>\$ 5,382,400</b>

(Continued)

Exhibit G-2

Hartsville/Trousdale County Government, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Total
	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	
Excess (Deficiency) of Revenues Over Expenditures	\$ 112,750	\$ 11,946	\$ (35,051)	\$ (2,126)	\$ 382,627	\$ 470,146
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,650	\$ 4,650
Transfers In	0	0	0	0	0	0
Transfers Out	(23,770)	0	0	0	0	(23,770)
Total Other Financing Sources (Uses)	\$ (23,770)	\$ 0	\$ 0	\$ 0	\$ 4,650	\$ (19,120)
Net Change in Fund Balances	\$ 88,980	\$ 11,946	\$ (35,051)	\$ (2,126)	\$ 387,277	\$ 451,026
Fund Balance, July 1, 2019	1,107,320	572,321	577,452	63,151	800,958	3,121,202
<b>Fund Balance, June 30, 2020</b>	<b>\$ 1,196,300</b>	<b>\$ 584,267</b>	<b>\$ 542,401</b>	<b>\$ 61,025</b>	<b>\$ 1,188,235</b>	<b>\$ 3,572,228</b>

(Continued)

Exhibit G-2

Hartsville/Trousdale County Government, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Debt Service Funds			Capital	Total
	General Debt Service	Education Debt Service	Total	Projects Fund General Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 474,921	\$ 369,889	\$ 844,810	\$ 0	\$ 2,631,335
Licenses and Permits	0	0	0	0	72,167
Fines, Forfeitures, and Penalties	0	0	0	0	18,005
Charges for Current Services	0	0	0	0	1,004,530
Other Local Revenues	24,288	22,685	46,973	0	94,890
State of Tennessee	0	0	0	0	2,492,184
Federal Government	0	0	0	0	431,218
Other Governments and Citizens Groups	279,150	55,000	334,150	0	334,150
Total Revenues	\$ 778,359	\$ 447,574	\$ 1,225,933	\$ 0	\$ 7,078,479
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	434,242
Public Health and Welfare	0	0	0	0	2,437,848
Social, Cultural, and Recreational Services	0	0	0	0	4,000
Other Operations	0	0	0	0	199,467
Highways	0	0	0	0	1,756,834
Debt Service:					
Principal on Debt	614,101	568,000	1,182,101	0	1,212,101
Interest on Debt	239,403	21,744	261,147	0	264,096
Other Debt Service	20,452	15,873	36,325	0	36,325
Capital Projects	0	0	0	0	517,060
Total Expenditures	\$ 873,956	\$ 605,617	\$ 1,479,573	\$ 0	\$ 6,861,973

(Continued)

Exhibit G-2

Hartsville/Trousdale County Government, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	General Debt Service	Education Debt Service	Total	General Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	\$ (95,597)	\$ (158,043)	\$ (253,640)	\$ 0	\$ 216,506
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	4,650
Transfers In	146,085	0	146,085	0	146,085
Transfers Out	0	0	0	0	(23,770)
Total Other Financing Sources (Uses)	\$ 146,085	\$ 0	\$ 146,085	\$ 0	\$ 126,965
Net Change in Fund Balances	\$ 50,488	\$ (158,043)	\$ (107,555)	\$ 0	\$ 343,471
Fund Balance, July 1, 2019	433,835	701,822	1,135,657	21,684	4,278,543
<b>Fund Balance, June 30, 2020</b>	<b>484,323</b>	<b>543,779</b>	<b>1,028,102</b>	<b>21,684</b>	<b>4,622,014</b>

Exhibit I-8

Hartsville/Trousdale County Government, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hartsville/Trousdale County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,599,496	\$ 2,359,855	\$ 2,359,855	\$ 239,641
Licenses and Permits	560	550	550	10
Charges for Current Services	24,921	22,000	22,000	2,921
Other Local Revenues	47,608	26,250	41,550	6,058
State of Tennessee	8,337,283	8,215,247	8,276,315	60,968
Federal Government	28,863	0	0	28,863
Total Revenues	\$ 11,038,731	\$ 10,623,902	\$ 10,700,270	\$ 338,461
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,985,560	\$ 5,206,750	\$ 5,085,903	\$ 100,343
Alternative Instruction Program	124,664	122,525	125,716	1,052
Special Education Program	874,174	897,030	953,080	78,906
Career and Technical Education Program	347,018	368,370	368,377	21,359
<u>Support Services</u>				
Attendance	26,768	27,645	27,645	877
Health Services	236,382	257,755	258,748	22,366
Other Student Support	247,132	261,495	294,747	47,615
Regular Instruction Program	371,988	383,425	409,249	37,261
Special Education Program	97,838	89,405	99,426	1,588
Career and Technical Education Program	32,624	32,165	32,670	46
Technology	149,328	166,095	153,095	3,767
Other Programs	24,539	0	24,539	0
Board of Education	160,985	177,895	181,100	20,115
Director of Schools	210,061	210,150	210,150	89
Office of the Principal	856,851	837,925	873,749	16,898
Fiscal Services	136,449	143,440	143,440	6,991
Operation of Plant	736,249	879,375	841,875	105,626
Maintenance of Plant	247,129	204,295	253,795	6,666
Transportation	527,683	625,868	591,868	64,185
<u>Operation of Non-Instructional Services</u>				
Community Services	120,994	132,305	140,691	19,697
Early Childhood Education	106,918	107,455	107,455	537
<u>Capital Outlay</u>				
Regular Capital Outlay	648,476	646,231	738,231	89,755
<u>Principal on Debt</u>				
Education	0	437,750	0	0
<u>Interest on Debt</u>				
Education	0	11,430	0	0
<u>Other Debt Service</u>				
Education	334,150	0	389,180	55,030
Total Expenditures	\$ 11,603,960	\$ 12,226,779	\$ 12,304,729	\$ 700,769
Excess (Deficiency) of Revenues Over Expenditures	\$ (565,229)	\$ (1,602,877)	\$ (1,604,459)	\$ 1,039,230

(Continued)

Exhibit I-8

Hartsville/Trousdale County Government, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Hartsville/Trousdale County School Department  
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,669	\$ 0	\$ 0	\$ 4,669
Transfers Out	(45,000)	(45,000)	(45,000)	0
Total Other Financing Sources	\$ (40,331)	\$ (45,000)	\$ (45,000)	\$ 4,669
Net Change in Fund Balance	\$ (605,560)	\$ (1,647,877)	\$ (1,649,459)	\$ 1,043,899
Fund Balance, July 1, 2019	3,963,918	3,922,875	3,922,875	41,043
Fund Balance, June 30, 2020	\$ 3,358,358	\$ 2,274,998	\$ 2,273,416	\$ 1,084,942

**Hartsville/Trousdale County Government, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2020**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF SHERIFF**

2020-001	Duties were not segregated adequately in the Office of Sheriff	227
2020-002	Some funds were not deposited within three days of collection	228

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### OFFICE OF SHERIFF

#### FINDING 2020-001

#### **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF SHERIFF**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the official and employees in the Office of Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decision based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

#### RECOMMENDATION

The sheriff should segregate duties to the extent possible using available resources.

#### MANAGEMENT'S RESPONSE

We concur with this finding. See corrective action plan.

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#### FINDING 2020-002

#### **SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts issued for the month of June 2020 to trace to deposits. During this period, collections in four of four deposits were held more than three business days before being deposited. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

Trousdale County Sheriff's Office Jail  
315 East Main Street  
Hartsville TN, 37074  
615-374-2114

**Corrective Action Plan**

**FINDING 2020-001: DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF SHERIFF**

**Response and Corrective Action Plan Prepared by:**  
Josh Scruggs, Jail Administrator

**Person Responsible for Implementing the Corrective Action:**  
Josh Scruggs, Jail Administrator

**Anticipated Completion Date of Corrective Action:**  
Date 01/11/2021

**Repeat Finding:**  
No

**Reason Corrective Action was Not Taken in the Prior Year:**  
N/A

**Planned Corrective Action:**  
The former transition of Jail Admin David Story to Josh Scruggs and Lieutenant Josh Scruggs to Michael Stafford took longer than expected. This caused a delay in records and the transition of the positions on paper. The positions are set and in place. This finding should no longer be a problem or a finding in the future.

Signature: Ray Russell

Trousdale County Sheriff's Office Jail  
315 East Main Street  
Hartsville TN, 37074  
615-374-2114

Corrective Action Plan

**FINDING 2020-002: SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

**Response and Corrective Action Plan Prepared by:**  
Josh Scruggs, Jail Administrator

**Person Responsible for Implementing the Corrective Action:**  
Josh Scruggs, Jail Administrator

**Anticipated Completion Date of Corrective Action:**  
Date 01/11/2021

**Repeat Finding:**  
No

**Reason Corrective Action was Not Taken in the Prior Year:**  
N/A

**Planned Corrective Action:**  
Due to extenuating circumstances some deposits were in fact delayed over the 3 day mark. Due to the transitions of Jail Admin and Lieutenant and covid 19 pandemic, some deposits were delayed over the 3 day mark the transition of positions has taken place and this as well should not be a future finding. All deposits should be made 3 days from when they arrive from this finding forward.

Signature: Ray Russell