

# HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT

*Beverly Atwood*  
*Jerry Ford*

*Judy Kerr*  
*Mark Presley*

*Amber Russell*

## **AUDIT COMMITTEE**

NOVEMBER 1, 2022 | 6:00PM | MAYOR'S OFFICE

### **Agenda**

1. Open Meeting
2. Attendance
3. Elect Officers
  - A. Chair
  - B. Vice Chair
  - C. Secretary
4. Review Minutes from March 28, 2022
5. General Discussion
  - A. Purpose – *reference RES 2013-06-309*
  - B. FY 2022 Audit in process
  - C. Review FY 2021
6. Public Comment
7. Adjourn

# Hartsville/Trousdale Audit Committee

## Meeting Minutes

**March 28, 2022 – Trousdale County Courthouse – 2nd Floor Courtroom**

Present: Richard Harsh, Steve Whittaker, Lesley Overman, Dwight Jewell, Amy Thomas and Mary Ann Baker

Absent: Rachel Jones

Others present: Tyler Enzminger

### 1. Open Meeting

Chairman Richard Harsh called the meeting to order at 6:00 P.M.

### 2. Review Minutes from March 16, 2021

Steve Whittaker made a motion to approve the minutes from the March 16, 2021 meeting as submitted, Seconded by Lesley Overman.

### 3. Elect Officers

Lesley Overman made a motion to leave the officers the same, Seconded by Steve Whittaker.

Chairman – Richard Harsh

Vice Chairman - Steve Whittaker

Secretary – Mary Ann Baker

**MOTION CARRIED**

### 4. Review FY 2021 Report

A. Mayor Chambers went over the following fund balances.

#### Fund Balances per FY2021 Audit

Fund	Beginning Balance		Net Change	Ending Balance		Projected Balances per Budget	Projected Net Change per Budget
	7/1/2020		6/30/2021	6/30/2021		6/30/2021	
101 - General Fund	3,850,502	↑	721,802	<b>4,572,304</b>	pg 29	2,085,124	(1,765,378)
111 - Urban Services	1,196,300	↑	311,639	<b>1,507,939</b>	pg 129	989,434	(206,866)
116 - Solid Waste	584,267	↑	249,806	<b>834,073</b>	pg 130	543,654	(40,613)
118 - Ambulance Services	542,401	↓	(171,864)	<b>370,537</b>	pg 131	276,143	(266,258)
122 - County Drug Fund	61,025	↑	12,376	<b>73,401</b>	pg 132	19,478	(41,547)
151 - Debt Services	484,323	↑	116,305	<b>600,628</b>	pg 134	426,911	(57,412)
156 - Education Debt Services <i>Wheel Tax / 2002 High School</i>	543,779	↓	(158,131)	<b>385,648</b>	pg 135	256,552	(287,227)
131 - Highway Fund	1,188,235	↑	45,677	<b>1,233,912</b>	pg 133	244,493	(943,742)
141 - General Purpose School	3,358,358	↑	334,655	<b>3,693,013</b>	pg 150	1,815,516	(1,542,842)
<b>Total Fund Balance</b>	<b>11,853,202</b>		<b>1,462,265</b>	<b>13,315,832</b>		6,657,305	(5,151,885)

**B. Audit Findings**

- County General – None
- Highway Department – None
- Schools – None
- Water Department – (2) Findings
  - (1) Maintenance of Capital Asset Records, The Water Department has a new system in place for keeping up with their capital assets and that should resolve this issue.
  - (2) Competitive bids were not solicited for work on sewer lines. This was a result of the contract being expired when some work was done and has been corrected by putting in place a year contract.

Dwight Jewell asked if corrective action plans submitted were sufficient and Tyler Enzminger advised they were.

**5. Other Business**

None

**6. Public Comment**

None

**7. Adjourn**

Mary Ann Baker made a motion to adjourn, Seconded by Lesley Overman.

**MOTION CARRIED**

**RESOLUTION #2013-06-309**  
**TO ESTABLISH AN AUDIT COMMITTEE**  
**FOR HARTSVILLE/TROUSDALE COUNTY GOVERNMENT**

**WHEREAS**, *Tennessee Code Annotated* (T.C.A.) Section 9-3-405, encourages county governments to establish an independent Audit Committee, and provides that the Tennessee Comptroller of the Treasury (Comptroller) may require an Audit Committee in counties that (1) are in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board or (2) have recurring findings from the annual audit for three or more consecutive years that are determined by the Comptroller's office to be a material weakness in internal control or material noncompliance with government auditing standards; and

**WHEREAS**, the Comptroller and the Government Finance Officers Association of the United States and Canada recommends that all county governments establish an Audit Committee as a best practice and to assist the County Commission in the oversight of the public funds and financial reporting process; and

**WHEREAS**, the Hartsville/Trousdale County Commission realizes the need, especially in today's current environment of fewer available resources, for increased transparency and accountability of public funds, and that the County Commission is ultimately responsible for ensuring that management is meeting its internal control and financial reporting responsibilities; and

**WHEREAS**, the County Commission finds it to be in the best interests of Hartsville/Trousdale County to establish an Audit Committee;

**NOW THEREFORE BE IT RESOLVED** by the County Commission of Hartsville/Trousdale County, meeting this 25 day of February 2013 that:

**SECTION 1.** Pursuant to the provisions of T.C.A. § 9-3-405, the County Commission of Hartsville/Trousdale County does hereby establish an Audit Committee to provide independent review and oversight of the county's financial reporting processes and the county's internal controls, a review of the external auditor's report and follow up on management's corrective action, and compliance with laws, regulations, and ethics.

**SECTION 2.** The Audit Committee will consist of seven (7) members, to be comprised of members of the County Commission. Terms of members of this Committee shall be a calendar year (Jan – Dec). To insure the committee's independence and effectiveness, no Audit Committee member will be an elected official (with the exception of elected county commissioners), employee, spouse of an official/employee, or person that comingles assets with an official/employee of Hartsville/Trousdale County. While committee members need not be accountants, they should possess sufficient knowledge and experience in finance, business, and accounting to discharge the committee's duties. The members of the Audit Committee shall be appointed by the County Commission to staggered four (4) year terms. To establish staggered

terms, the initial members of the committee shall be appointed so that four of the members serve two (2) year terms and three of the members serve one (1) year terms. Thereafter all members shall be appointed to serve four (4) year terms. Initial members include:

Bill Fergusson – 2 year

Mark Beeler – 2 year

Clyde Mansfield – 2 year

John Oliver - 2 year

Carol Pruitt – 1 year

Steve Burrow – 1 year

James McDonald – 1 year

**SECTION 3.** Meetings of the Audit Committee shall be held in accordance with the provisions of T.C.A. § 9-3-405. Meetings shall be subject to the open meetings provisions of T.C.A. Title 8, Chapter 44, except that upon a majority vote of those members in attendance for the public portion of a meeting, the Audit Committee may hold confidential, nonpublic executive sessions to discuss the following items as authorized in T.C.A. § 9-3-405:

- (1) Items deemed not subject to public inspection under T.C.A. §§ 10-7-503 and 10-7-504, and all other matters designated as confidential or privileged;
- (2) Current or pending litigation and pending legal controversies;
- (3) Pending or ongoing audits or audit related investigations;
- (4) Information protected by federal law; and
- (5) Matters involving the reporting of illegal, improper, wasteful, or fraudulent activity under T.C.A. § 9-3-406, where the informant has requested anonymity.

The Audit Committee will follow Roberts Rules of Order. Each year at its first meeting, the committee will elect a chairman, vice-chairman, and secretary. Meeting agendas will be prepared by the chairman and provided in advance to members along with appropriate briefing materials. Minutes of the Audit Committee meetings will be filed in the Office of County Clerk.

**SECTION 4.** The committee shall have access to the services of a financial expert, either through a committee member or an outside party engaged by the committee for this purpose. Such financial expert should, through both education and experience, and in a manner specifically relevant to the county government sector, possess (1) an understanding of generally accepted accounting principles and financial statements; (2) experience in preparing or auditing financial statements of comparable entities; (3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; (4) experience with internal accounting controls; and (5) an understanding of Audit Committee functions.

**SECTION 5.** The duties and responsibilities of the Audit Committee are:

- (a) To carefully review, upon completion of the county's annual audit, all audit findings in audit report and consult with the external auditors regarding any irregularities and deficiencies disclosed in the annual audit. The Audit Committee is empowered to meet with management to discuss audit findings and/or disagreements with the external auditors. The committee should satisfy itself that appropriate and timely corrective action has been taken by management to remedy any identified weaknesses. The committee should determine what corrective action, if any, should be recommended to the County Commission.

(b) To consider the effectiveness of the internal control system, including information technology security and control, review the effectiveness of the system for monitoring compliance with laws and regulations, and review the process for communicating the county's ethics policies to county personnel and monitoring compliance therewith.

(c) To establish a process by which employees, taxpayers, or other citizens may confidentially report suspected illegal, improper, wasteful or fraudulent activity under provisions of T.C.A. § 9-3-406.

(d) To annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full County Commission.

**SECTION 6.** The Audit Committee will be adequately funded to carry out the duties and responsibilities as set out in this Resolution and under applicable law.


**SECTION 7.** This resolution creating the duties and responsibilities of the Audit Committee has been submitted to the Comptroller prior to approval by this legislative body, and this resolution conforms with the report issued by the Comptroller.

Adopted this 25 day of February 2013.

APPROVED:

  
County Commission Chairman

ATTEST:

  
County Clerk