

Audit Committee Meeting Minutes
1-29-2025
Richard Hill Committee Room

**1. FINDING 2024-001 OFFICE OF TRUSTEE
THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**

The software application used by the office generated a report that displayed alterations made to the payment type after a receipt is issued. Because this log provided the only audit trail of these changes, it should be routinely reviewed for inappropriate activity. Although the official was aware of the importance of this log, it was not routinely reviewed. This deficiency was the result of a lack of management oversight. When the importance of the report was brought to management's attention in March 2024, the review process was resumed. Procedures for reviewing the reports are currently in place.

Trustee Mrs. Nancy Broadstone's responded that the report is indeed reviewed monthly. There are some months with no receipt changes so the report is literally, a blank page. Moving forward, even if the report is blank, she will print it and have two office employees to sign off on it.

**2. FINDING 2024-002 OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF
DUTIES WERE NOT SEGREGATED ADEQUATELY**

Duties were not segregated adequately among the officials and employees in the Offices of Circuit and General Sessions Courts Clerk and Sheriff. The employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give 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 decisions based on the availability of financial resources and is a significant deficiency in internal controls that increase the risk of unauthorized transactions. Also, for the sheriff, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

Sheriff Box responded that he fully understood the internal controls of the audit. He had additional personnel in that office helping. Since the last audit, there has been an employee out on medical leave since October 2024. He is happy with the process, given no financial problems, no losses, and no missing money from the Sheriff Dept has ever been a finding. There is only one person in the front office and without a remodel to accommodate two people, unnecessary moving of the money would happen and he will not disrupt the process of that. With the employee being back from medical leave now, hopefully that finding will correct itself.

Circuit Court Clerk TJ Jones responded that he has an employee that he believes that the parttime bookkeeper was off due to an extensive surgery and no way to show the work was segregated. He did not have this finding in last years audit. Going forward, with the part time bookkeeper being back will reflect on the next year audit.

Chr. Uitendall, Sheriff Box and TJ Jones all agreed that moving forward into the next years audit they would ask the auditors for further assistance on how to resolve the issues.