



Lawrence County
AUDIT COMMITTEE

Date: Wednesday, April 16, 2025 | **Time:** 5:00-5:14 p.m.

PRESENT: County Executive David Morgan. **Commissioners:** Scott Franks, Phillip Heatherly, and Chris Sutherland. **Director of Accounts & Budgets** Brandi Williams, Karen Woodall, and Jerry Putman.

ROLL CALL: Karen Woodall, Scott Franks, and Jerry Putman.

ABSENT: Jim Brewer and Kelsey Glass.

Woodall called the meeting to order.

Motion to Approve Audit Committee Minutes from 3/5/24.

Motion: Franks. **Second:** Putman.

Vote: Motion passed unanimously, 3/0.

Woodall reviewed the Audit Report. No repeat findings. Everything was in good order. Not considered low risk due to one finding.

Williams explained the audit finding and the corrective action in place.

Section A: Receipts were only issued for cash collections. Section 9-2-103, Tennessee Code Annotated (TCA), requires receipts to be issued for all collections.

- Previously, receipts were only issued when a patient or patient's family member came into the office to make a payment. Receipts were not issued for payments mailed in by the patient or family or insurance checks received however, all payments are logged on the trustee deposit log located in the central workroom area of the Budget office prior to being sent to the Trustee's office for deposit. Going forward, all payments received on ambulance service accounts will be issued a receipt regardless of the payment source and we will continue to log all payments on the trustee deposit log.

Section B: Some funds were not deposited within three days of collection as required by Section 5-8-207, TCA. Auditors tested all 16 receipts issued from July 1, 2023, to May 22, 2024, and found four instances where receipts were held from four

to 15 days before being deposited with the trustee. The delay in depositing funds weakens internal controls over collections and increases the risk of fraud and misappropriation.

- Funds were not deposited within 3 days. The employee who normally takes the deposit was out for a few days and the office unfortunately forgot to take it at the right time. To ensure timely deposit of ambulance service funds with the county trustee's office we have added a new requirement for each ambulance service payment received. A deposit form is now filled out in excel the day the funds are received and then matched up to the original receipt issued along with the receipt received from the Trustee's office.

Section C: Auditors discovered a receipt totaling \$100 issued on February 13, 2024, was not deposited with the county trustee as of May 22, 2024, or otherwise accounted for. A fraud reporting form was filed on May 26, 2024, as required by Sections 8-4-501 through 8-4-505, TCA. On June 21, 2024, auditors were notified that an envelope containing \$100 cash was located in the ambulance service mailbox.

- There was a \$100 cash envelope with Ambulance written on the outside and it was accidentally placed inside the Ambulance Services intern office mail slot. They simply never came and picked up the envelope. To avoid deposits being misplaced, we now have a clear plastic envelope that all funds are placed in prior to being deposited with the trustee to keep deposit envelopes from being mixed in with regular outgoing mail envelopes.

Woodall recognized that everything has been addressed.

The Committee discussed the 1981 Act.

Motion to Adjourn.

Motion: Franks. **Second:** Putman.

Vote: Motion passed unanimously, 3/0.

Minutes Submitted By: Christian Tyree