



Lawrence County  
**AUDIT COMMITTEE**

**Date:** Thursday, April 9, 2026 | **Time:** 4:00-4:17 p.m.

**PRESENT: County Executive** David Morgan. **Commissioners:** Phillip Heatherly, Shane Eaton, Chirs Sutherland, Tim Clifton, Wayne Yocom, and Scott Franks. **Director of Accounts & Budgets** Brandi Williams, **School Superintendent** Michael Adkins, Karen Woodall, Jerry Putman, Anthony Washburn, John Uzbasic, and Jessica Eledge.

**PRAYER:** Putman.

**PLEDGE:** Morgan.

**Woodall** called the meeting to order.

**ROLL CALL:** *Chair* Karen Woodall, *Vice-chair* Scott Franks, and Jerry Putman.

**ABSENT:** Jim Brewer and Kelsey Glass.

- The committee reviewed the 2025 Audit Committee minutes of meeting.

**Approve April 16, 2025 Audit Committee Minutes of Meeting.**

**Motion:** Franks. **Second:** Puttman.

**Vote:** Motion passed unanimously, 3/0.

- **Woodall** explained there were a total of three findings. One with the *Office of Accounts & Budgets* and two with the *School System*.

**FINDING ONE:** *Competitive Bids Were Not Solicited for Purchase of Insurance.*

- **Williams** explained that the finding resulted from the county not previously bidding out Ambulance Service Insurance. Instead, a third-party carrier, VFIS, was used rather than the state pool utilized for the county's other insurance coverage.
- The service had not been bid out in the past, and although it exceeded the bid threshold, VFIS allows the customer to set the insured value of a vehicle at the replacement value rather than the depreciating value.

- To my knowledge, VFIS was the only insurance carrier in the state of Tennessee that allowed customers to select the insured value, making it a sole source vendor. To correct this, bid solicitation is scheduled for the 2026–2027 fiscal year.
- *The committee was satisfied with the explanation and corrective action.*

**FINDING TWO:** *Material Audit Adjustments Were Required for Proper Financial Statement Presentation.*

- **Eledge** explained the audit adjustment reclassified \$1,178, 876 from encumbrances to contracts payable and retainage payable to comply with Generally Accepted Accounting Principles (GAAP) financial statements presentation requirements. This was known by management and tracked within the accounting system as encumbrances. The finding was not a result of error in financial activity but from year end classification entry required for GAAP presentation.
- *The committee was satisfied with the explanation.*

**FINDING THREE:** *An Investigation of the Lawrence County School Department Disclosed a Deficiency.*

- **Eledge** explained that an individual falsified mileage claims totaling \$36,473.00 which were submitted through the school's *Individuals with Disabilities Education Act (IDEA)* federal grant program. Once discovered, it was reported to the *Comptroller's Division of Investigations* within twenty-four hours. The school system acted under the guidance of the *District Attorney's Office*, which advised the school to continue issuing mileage reimbursement payments to the individual during the ongoing investigation. Even though we acted under legal guidance from the *District Attorney's Office*, audit did not like it. We have taken appropriate actions to ensure mileage reimbursement claims are properly monitored and reviewed.
- *The committee was satisfied with the explanation and corrective action.*
- **Executive Morgan** notified the committee that Jim Brewer is out of County and will need to be replaced.

**Adjournment.**

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

**Vote:** Motion passed unanimously, 3/0.

**Minutes Submitted By:** Christian Tyree