



STATE OF TENNESSEE
TENNESSEE COMMISSION ON CHILDREN AND YOUTH

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AUDIT COMMITTEE

TCCY Library

Andrew Johnson Building, Ninth Floor

Thursday, February 24, 2011

12:30 p.m.

MINUTES

Committee Members Present

Natasha Blackshear, Chair
Beverly Cosley
Trudy Hughes
Carlton Lewis
Nancy Williams
Cindy Durham, Chair

Staff Present

Linda O'Neal
Richard Kennedy
Debrah Stafford

I. Welcome and Introductions

Chair Blackshear called the meeting to order at 12:50 p.m. welcoming Commission members and staff.

II. Approval of May 2010 Minutes

MOTION: IT WAS MOVED (LEWIS) AND SECONDED (HUGHES) TO APPROVE THE MAY 2010 COMMITTEE MEETING MINUTES. UNANIMOUSLY CARRIED.

III. Comptroller's Office Review of Prior Audit Findings – Linda O'Neal

O'Neal reported TCCY had a follow-up audit from the Comptroller's Office to review two findings from the previous audit in 2008: unauthorized bank account for CAD, which we have not had since 2008; and program monitoring. Richard Kennedy, Debrah Stafford and Diane Baham spent a lot of time with the auditors to make sure they got all the documentation they needed regarding TCCY monitoring processes and the monitoring reports for previous years. Auditors decided both prior findings have been addressed. TCCY Chair Cindy Durham and Audit Committee Chair Natasha Blackshear participated in the telephone exit conference. We are looking forward to receiving a written report.

IV. Financial Integrity Act 2010 Risk and Controls Review – Linda O’Neal

O’Neal reminded members the TCCY Financial Integrity Act 2010 Risk and Controls Review document had been distributed to them. Shared Services completes the document following consultation with TCCY staff. They do a thorough job assisting TCCY in identifying risks and determining what level they are and their manageability. O’Neal encouraged members to review the document and provide feedback for the review that will be completed in 2011.

V. Fraud and Abuse – Linda O’Neal

O’Neal reported an instance of fraud and abuse within the agency. Someone took one of the state cars over the weekend and kept the keys for a couple of days before anonymously returning them. Approximately 400 miles were put on the state car. We do not know who did this but regret responsible person was not forthcoming in acknowledging that he/she had taken the car. The incident was reported to the Comptroller’s Office and documents they requested regarding entrance/exit to the building, etc., over that weekend have been sent to them. Fortunately, Fuelman card and keys were returned. We will await further response from the Comptroller’s Office regarding any additional steps we need to take. This will be a new item in our Financial Integrity Act Risk and Controls for next year and we will see if there are additional safeguards required to prevent this from happening again. Reports from the Comptroller’s Office will be shared with the Audit Committee. Cosley expressed appreciation for the due diligence in reporting the incident.

VI. 2011 Grant Monitoring Update – Richard Kennedy

Kennedy reported on the grant monitoring process. The Policy 22 Plan identifying how we would monitor grants and contracts has been approved. In December, Rodger Jowers conducted training for all staff who will be conducting monitoring. Monitoring has been distributed so each person only has approximately two or three grants/contracts to monitor. The risk levels were adjusted on grants/contracts to more accurately reflect actual risk. TCCY should have no further problems complying with all monitoring requirements. This provides more efficient monitoring, especially of very small grants.

VII. Other Business

Committee meeting adjourned at 12:50 p.m.

Minutes Submitted by:

Minutes Approved by:

Linda O’Neal
Executive Director

Natasha Blackshear
Chair