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**BLOUNT COUNTY MAYOR
ED MITCHELL**

"LET'S BE BLOUNT...WORK HARD. WORK HONEST. WORK TOGETHER"

Corrective Action Plan

FINDING 2023-001: THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT FOR THE MAJORITY OF THE YEAR AND THE TRUSTEE PAID CHECKS FROM THE SCHOOL FEDERAL PROJECTS FUND THAT EXCEEDED AVAILABLE FUNDS

Response and Corrective Action Plan Prepared by:

Scott Graves, Blount County Trustee; Kristi Yates, Blount County Schools Chief Financial Officer; Brian Baldwin, Blount County Director of Accounts and Budgets

Person Responsible for Implementing the Corrective Action:

Scott Graves, Blount County Trustee; Kristi Yates, Blount County Schools Chief Financial Officer; Brian Baldwin, Blount County Director of Accounts and Budgets

Anticipated Completion Date of Corrective Action:

February 29, 2024

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Blount County has a history of following the rules and places great emphasis on obtaining no finding audits. We do not agree with the interpretation of the statute and sought legal opinions from Attorneys Chuck Cagle and Craig Garrett related to Tennessee Code Annotated 5-8-210(h)(1) and 8-11-104(5). Their legal reviews agreed with the county's position and as such, management believes that these statutes were correctly obeyed.

While we do not have the same interpretation of the statute, Blount County will seek approval for an interfund loan for the remainder of this fiscal year from the County Board of Education and the County Commission requesting a transfer of funds to cover any cash deficits for the remainder of Fiscal Year 2023/2024 to avoid a repeat finding.

Blount County looks forward to continued efforts with the Comptroller's Office to ensure state statutes are correctly interpreted and applied by Blount County.

FINDING 2023-002: THE SCHOOL DEPARTMENT FAILED TO REQUEST REIMBURSEMENTS FOR GRANT EXPENDITURES ON A TIMELY BASIS RESULTING IN A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30, 2023

Response and Corrective Action Plan Prepared by:

Troy Logan, Blount County Schools Assistant Chief Financial Officer,
Kristi Yates, Blount County Schools Chief Financial Officer, and
Deena Finley, Blount County Schools Financial Assistant

Person Responsible for Implementing the Corrective Action:

Kristi Yates, CFO and Deena Finley, Assistant CFO Blount County Schools

Anticipated Completion Date of Corrective Action:

11/30/2023

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Final Expenditure Reports (FER) are required reporting for the TN Department of Education. Deadlines were issued by the TN Department of Education, which we met in requesting timely reimbursements. Required documentation must be submitted to the TN Department of Education as supporting documentation for the reimbursement requests. We had to complete all year end accrual entries for expenditures in order for our reports to be accurate; therefore, the earliest we could request final year-end reimbursements was mid-August.

Once reimbursements are submitted on the TN Department of Education program (ePlan) from Blount County Schools, there are several review and approval workflows required by the TN Department of Education before the voucher can be created for payment. The approval process can be delayed especially if changes are required to complete the FER. This was the case with both General Fund reimbursement and Federal Fund reimbursement that resulted in the receipt being recorded after the 60 days allowable recognition of revenue.

Going forward additional focus will be placed on working with the TN Department of Education at year-end with a greater emphasis in meeting the 60 days threshold after year-end closing.

Signature:



Ed Mitchell, Blount County Mayor

Signature:



Scott Graves, Blount County Trustee

Signature:



David Murrell, Blount County Director of Schools