

INTERNAL AUDIT



May 19, 2017

Audit Committee Members
Mayor McMillan and City Council
City of Clarksville
Clarksville, Tennessee 37040

Dear Audit Committee, Mayor McMillan and City Council Members:

The Internal Audit department has performed a follow up assessment of the following audit:

Audit Title	Audit Period
Transit Payroll Audit	January 2011 – March 2013

Our assessment included an evaluation of actions taken by management to address findings and recommendations identified in the original audit, as well as other steps as deemed necessary to substantiate those actions. The scope of this assessment was significantly less than an audit performed in accordance with generally accepted government auditing standards. If a full audit had been performed in this situation, we may have found other issues which would require further reporting or modification of our conclusions.

Based on our assessment, all but one of the findings and recommendations within this audit are no longer applicable due to the Finance department assuming the payroll process from Transit in the time since the audit was performed. The remaining finding pertaining to new hire documentation retention will fall within the scope of an anticipated fiscal year 2018 audit. The Internal Audit department has determined that no further actions related to this audit are necessary at this time.

If you have any questions regarding this assessment, please contact the Internal Audit department at 648-6106.

Respectfully,

Rodney Wright, CPA, CIA, CFSA
Director of Internal Audit

cc: Charlie Gentry, Chief of Administration
Laurie Matta, Chief Financial Officer
Arthur Bing, Clarksville Transit System, Director

Internal Audit Follow Up Assessment Results

Findings No Longer Applicable

Finding (F) or Other Recommendation (OR)	Summary of Actions Taken
F2 Segregation of payroll access needs to be documented in written procedures.	Subsequently to the payroll audit, Clarksville Transit System transferred payroll processing duties to City General. As transit no longer processes their own payroll, this finding is no longer applicable.
OR1 Improve the efficiency of payroll processing by creating a payroll lag and moving to a bi-weekly payroll.	As discussed above, City General is now responsible for processing Clarksville Transit System payroll each period. Therefore, any authority to implement this recommendation now rests with City General.
OR2 Consider documenting the reasons behind the decision to use an outside vendor for payroll processing instead of using the Munis payroll module.	As City General now processes transit payroll, this recommendation is no longer applicable.

Findings Not Reviewed

Finding (F) or Other Recommendation (OR)	Summary of Actions Taken
F1 Some personnel files (22% of tested files) are lacking documentation required under the Tennessee Lawful Employment Act.	The department indicated that they implemented measures during the interview process to acquire and retain all necessary documentation related to the Tennessee Lawful Employment Act. The auditor did not perform further testing on this particular finding as Internal Audit is considering an audit on this topic for FY 2018.