



## PERFORMANCE AUDIT REPORT

# District Attorneys General Conference

*March 2025*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF STATE AUDIT**

**Katherine J. Stickel, CPA, CGFM, *Director***

---

**State Agency Audits**

**Kandi B. Thomas, CPA, CFE, CGFM, CGMA**  
Assistant Director

**Bridget Carver, CFE**  
Audit Manager

**Sharon Shaneyfelt, CFE**  
Audit Coordinator

**Robert T. Harness, CPA**  
**Brandon Webb**  
In-Charge Auditors

**Michael A. Deloach, CPA, CGFM**  
Senior Auditor

**Aracely Chan**  
**Jasmine Hill**  
**Isabel Kimberlain**  
**Julia Law**  
**Yulia Lopez**  
**Brandon Patterson**  
**Jennifer Warren, CFE**  
Staff Auditors

**Information Systems**

**Brent L. Rumbley, CPA, CISA, CFE**  
Assistant Director

**Jeff White, CPA, CISA**  
Audit Manager

**Kathryn Queen**  
Staff Auditor

**Audit Special Teams**

**Amber L. Crawford, CGFM, SPHR**  
Assistant Director

**Amanda S. Adams**  
**Amy W. Brack**  
Editors

**Chris Kelly, CPA**  
Data Analytics Manager

**Laura Carroll, CPA, CFE, CISA**  
Data Visualization Designer

**Andrea W. Stewart, CPA, CFE**  
Data Analytics Auditor

Comptroller of the Treasury, Division of State Audit  
Cordell Hull Building  
425 Rep. John Lewis Way N.  
Nashville, TN 37243  
615.401.7897  
[comptroller.tn.gov/office-functions/state-audit.html](http://comptroller.tn.gov/office-functions/state-audit.html)  
Mission: Make Government Work Better





JASON E. MUMPOWER  
*Comptroller*

March 24, 2025

The Honorable Bill Lee, Governor  
The Honorable Randy McNally  
Speaker of the Senate  
The Honorable Cameron Sexton  
Speaker of the House of Representatives  
Members of the General Assembly  
State Capitol  
Nashville, TN 37243

and  
Mr. Bryant Dunaway, President  
District Attorneys General Conference  
1289 South Walnut Avenue  
Cookeville, TN 38501  
and  
Mr. Stephen D. Crump, Executive Director  
District Attorneys General Conference  
226 Anne Dallas Dudley Boulevard, Suite 800  
Nashville, TN 37219

Ladies and Gentlemen:

We have conducted a performance audit of selected programs and activities of the District Attorneys General Conference for the period January 1, 2017, through July 31, 2024.

Our audit disclosed three findings, two observations, conclusions, and recommendations in this report. Management of the District Attorneys General Conference was given an opportunity to respond, and we have included the responses in the respective sections. We will follow up on the audit results to examine management's corrective actions.

Sincerely,

A handwritten signature in blue ink that reads "Katherine J. Stickel".

Katherine J. Stickel, CPA, CGFM, Director  
Division of State Audit

KJS/bc  
24/051

# DISTRICT ATTORNEYS GENERAL CONFERENCE

## AUDIT HIGHLIGHTS

### **District Attorneys General Conference's Purpose**

*To provide for a more prompt and efficient administration of justice in the courts of this state . . . [and] to equip, support and advocate for the District Attorneys General as they work to administer justice and serve their communities.*

### **Audit Period**

January 1, 2017, through July 31, 2024

### **Key Audit Conclusions**

*Finding 1:* The conference's Committee on Finance and Audit did not have an approved audit committee charter, ensure the implementation of a conflict-of-interest policy, or implement a process to promote confidential reporting of fraud, waste, and abuse to comply with the Audit Committee Act (page 8).

*Finding 2:* The Office of the Executive Director's management did not establish and implement effective internal controls for managing and safeguarding conference office equipment, including developing clear and consistent policies, overseeing the inventory process, maintaining an up-to-date equipment inventory list, and reporting missing equipment to the Comptroller's Office (page 17).

*Finding 3:* The Office of the Executive Director's management failed to submit all required office lease information to the Department of Finance and Administration for inclusion in the state's *Annual Comprehensive Financial Report* for fiscal years 2022, 2023, and 2024 (page 24).

*Observation 1:* The conference and its committees should comply with all Open Meetings Act requirements governing meeting minutes and public notice (page 11).

*Observation 2:* The Office of the Executive Director's management could improve the office's payroll process to enhance efficiency and reduce the risk of human error and inaccuracies in employee wages (page 30).

## Contents

<b>Introduction</b>	<b>1</b>
Audit Authority	1
Background	1
<b>Audit Scope</b>	<b>3</b>
<b>Prior Audit Finding</b>	<b>4</b>
Report of Action Taken in Response to the Prior Audit Finding	4
Resolved Audit Finding	4
<b>Audit Conclusions</b>	<b>5</b>
Conference Responsibilities	5
Finding 1: The conference’s Committee on Finance and Audit did not have an approved audit committee charter, ensure the implementation of a conflict-of-interest policy, or implement a process to promote confidential reporting of fraud, waste, and abuse to comply with the Audit Committee Act	8
Observation 1: The conference and its committees should comply with all Open Meetings Act requirements governing meeting minutes and public notice	11
Office Equipment Management and Inventory	13
Finding 2: The Office of the Executive Director’s management did not establish and implement effective internal controls for managing and safeguarding conference office equipment, including developing clear and consistent policies, overseeing the inventory process, maintaining an up-to-date equipment inventory list, and reporting missing equipment to the Comptroller’s Office	17
Property Leases	21
Finding 3: The Office of the Executive Director’s management failed to submit all required office lease information to the Department of Finance and Administration for inclusion in the state’s <i>Annual Comprehensive Financial Report</i> for fiscal years 2022, 2023, and 2024	24
Payroll	25
Observation 2: The Office of the Executive Director’s management could improve the office’s payroll process to enhance efficiency and reduce the risk of human error and inaccuracies in employee wages	30

Information Technology Service Requests	31
<b>Appendices</b>	<b>33</b>
Appendix 1: Objectives, Conclusions, and Methodologies	33
Appendix 2: District Attorneys General Conference Organizational Chart and Structure	41
Appendix 3: Financial Information (Unaudited)	44

# Introduction

## Audit Authority

This is the report on the performance audit of the District Attorneys General Conference. Section 8-4-109(a)(2), *Tennessee Code Annotated*, states the following:

The comptroller of the treasury is hereby authorized to audit any books and records of any governmental entity created under and by virtue of the statutes of the state which handles public funds when such audit is deemed necessary or appropriate by the comptroller of the treasury. The comptroller of the treasury shall have the full cooperation of officials of the governmental entity in the performance of such audit or audits.

The audit was conducted pursuant to Section 4-3-304, *Tennessee Code Annotated*, which requires the Department of Audit to audit all accounts and financial records of any state department, institution, office, or agency in accordance with both generally accepted auditing standards and procedures established by the Comptroller. An audit may include any or all of the following elements: financial, compliance, economy and efficiency, program results, and program evaluations.

## Background

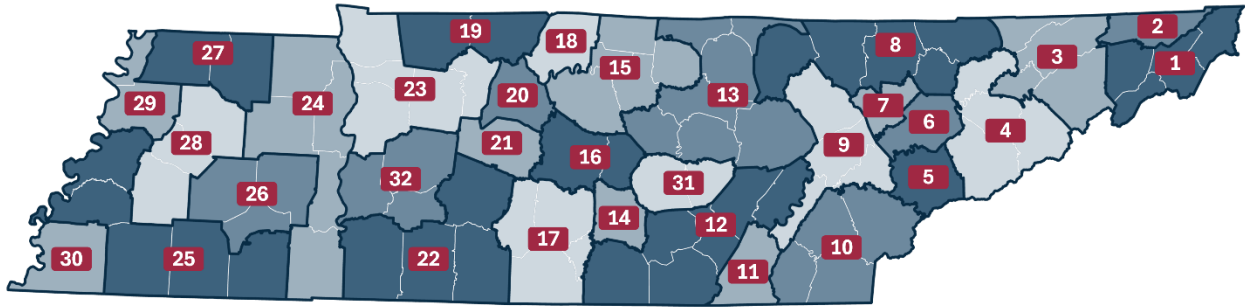
### District Attorneys General Conference

The District Attorneys General Conference (the conference), created as part of the judicial branch of the state government in 1961,<sup>1</sup> is a statewide system of elected district attorneys general serving for a term of 8 years. Each of the state's 32 elected district attorneys general and the Office of the Executive Director, with a combined staff of approximately 1,300 people, compose the conference. See **Figure 1** for a map of the state's 32 judicial districts.

---

1. Established in Section 8-7-301, *Tennessee Code Annotated*.

**Figure 1: Judicial Districts Map**



**District** **Counties**

<b>1</b>	Carter, Johnson, Unicoi, Washington
<b>2</b>	Sullivan
<b>3</b>	Greene, Hamblen, Hancock, Hawkins
<b>4</b>	Cocke, Grainger, Jefferson, Sevier
<b>5</b>	Blount
<b>6</b>	Knox
<b>7</b>	Anderson
<b>8</b>	Campbell, Claiborne, Fentress, Scott, Union
<b>9</b>	Loudon, Meigs, Morgan, Roane
<b>10</b>	Bradley, McMinn, Monroe, Polk
<b>11</b>	Hamilton
<b>12</b>	Bledsoe, Franklin, Grundy, Marion, Rhea, Sequatchie
<b>13</b>	Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, White
<b>14</b>	Coffee
<b>15</b>	Jackson, Macon, Smith, Trousdale, Wilson
<b>16</b>	Cannon, Rutherford

**District** **Counties**

<b>17</b>	Bedford, Lincoln, Marshall, Moore
<b>18</b>	Sumner
<b>19</b>	Montgomery, Robertson
<b>20</b>	Davidson
<b>21</b>	Williamson
<b>22</b>	Giles, Lawrence, Maury, Wayne
<b>23</b>	Cheatham, Dickson, Houston, Humphreys, Stewart
<b>24</b>	Benton, Carroll, Decatur, Hardin, Henry
<b>25</b>	Fayette, Hardeman, Lauderdale, McNairy, Tipton
<b>26</b>	Chester, Henderson, Madison
<b>27</b>	Obion, Weakley
<b>28</b>	Crockett, Gibson, Haywood
<b>29</b>	Dyer, Lake
<b>30</b>	Shelby
<b>31</b>	Van Buren, Warren
<b>32</b>	Hickman, Lewis, Perry

Source: Obtained from the Administrative Office of the Courts website: <https://www.tncourts.gov/jdmap>.

**Executive Committee**

The conference’s Executive Committee<sup>2</sup> consists of 10 conference members, who are responsible for all major conference activities and oversee the Executive Director, who serves a 4-year term. The conference membership can choose to re-elect the Executive Director every 4 years or vote to remove him at any time.

**Ex-officio Members**

The Attorney General and Reporter serves as an ex-officio member and acts as the legal adviser to the conference. The Director of the Tennessee Bureau of Investigation is also an ex-officio member.

---

2. The Executive Committee’s composition is set forth by Article V of the conference’s bylaws.



## Office of the Executive Director

The conference's Office of the Executive Director (the office), which was created in 1972,<sup>3</sup> serves as the central administrative office for the district attorneys general by supporting the prosecution efforts of the various districts. The office oversees the conference's annual budget of approximately \$175 million, and the office's seven divisions provide support services for the district attorneys general and their staff such as accounting, payroll, personnel, property management, and professional development and training. Other duties include acting as liaisons with state government agencies and conducting public education and awareness efforts. See **Appendix 2** for an organizational chart and more information on the conference's structure.

## Audit Scope

We have audited the District Attorneys General Conference (the conference) for the period January 1, 2017, through July 31, 2024. Our audit scope included assessments of program effectiveness, efficiency, and internal controls as well as compliance with provisions of laws, regulations, policies, procedures, conference bylaws, and contracts related to the conference's oversight activities to support management in the Office of the Executive Director (the office) and in each district. Our scope also included assessments of office management's responsibility for centralized administrative services in the following areas:

- office management's process to establish and implement effective internal controls for managing and safeguarding conference office equipment;
- office management's process to lease property for the district offices and responsibility to report lease information to the Department of Finance and Administration for state financial reporting;
- office management's process for employee payroll; and
- office management's process to assign, manage, and efficiently resolve employee information technology service requests.

Additionally, our audit scope included follow-up on a prior audit finding in the following area:

- office management's corrective actions in response to the prior audit finding involving compliance with *Tennessee Code Annotated* and information systems industry best practices.

The information for our follow-up on the prior audit finding can be found in the **Prior Audit Finding** section.

---

3. Established in Section 8-7-307, *Tennessee Code Annotated*.

We present more detailed information about our audit objectives, conclusions, and methodologies in **Appendix 1** of this report.

For any sample design applied in this audit, we used nonstatistical audit sampling, which was the most appropriate and cost-effective method for concluding on our audit objectives. Based on our professional judgment, review of authoritative sampling guidance, and careful consideration of underlying statistical concepts, we believe that nonstatistical sampling provides sufficient appropriate audit evidence to support the conclusions in our report. Although our sample results provide reasonable bases for drawing conclusions, the errors identified in these samples cannot be used to make statistically valid projections to the original populations.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

*The District Attorneys General Conference's management is responsible for establishing and maintaining effective internal controls and for complying with applicable laws, regulations, policies, procedures, and provisions of contracts and grant agreements.*

## Prior Audit Finding

### Report of Action Taken in Response to the Prior Audit Finding

Section 8-4-109(c), *Tennessee Code Annotated*, requires that each state department, agency, or institution report to the Comptroller of the Treasury the action taken to implement the recommendations in the prior audit report. The prior audit report was dated November 2017 and contained one finding. The District Attorneys General Conference filed its report with the Comptroller of the Treasury on May 9, 2018. We conducted a follow-up of the prior audit finding as part of the current audit.

**Conference's Audit Findings**

November 2017 Audit:  
1 finding

Current Audit:  
3 findings  
2 observations

### Resolved Audit Finding

The current audit disclosed that the District Attorneys General Conference resolved the previous audit finding. See **Appendix 1** for more information.

## Audit Conclusions

### Conference Responsibilities

The conference and its committees advocate for the state's district attorneys general as they administer justice and serve their communities. Our goal was to determine whether conference members and their committees complied with the Audit Committee Act of 2005, attendance and quorum requirements, conflict-of-interest requirements, and the Open Meetings Act. See **Finding 1** and **Observation 1**.

### General Background

#### Conference

The conference, consisting of all 32 district attorneys general, must meet annually and consider draft legislation, recommendations to the General Assembly, and other conference matters to make the criminal justice system more prompt and efficient.<sup>4</sup> The conference delegates certain duties to 3 committees established by statute: the Executive Committee, the Committee on Finance and Audit, and the Committee on Legislation.

#### Executive Committee

Elected annually by all conference members, the Executive Committee is responsible for all major conference activities, including hearing legislative and financial updates, making committee appointments, and considering hiring requests from district attorneys general offices. The Executive Committee consists of 10 district attorneys general, including the conference's President, Vice President/President-Elect, Secretary-Treasurer, Immediate Past President, and 6 at-large members. The Executive Committee holds monthly meetings.

#### Committee on Finance and Audit

The conference's Committee on Finance and Audit was created pursuant to the Audit Committee Act of 2005<sup>5</sup> (the Act). The Act requires the Committee on Finance and Audit to have at least three members.<sup>6</sup> The conference's bylaws authorize the President to appoint conference members for the committee. As described in the Act, the committee is responsible for evaluating management's

---

4. Sections 8-7-302 and 8-7-303, *Tennessee Code Annotated*.

5. Codified in Title 4, Chapter 35, *Tennessee Code Annotated*.

6. Section 4-35-104, *Tennessee Code Annotated*.

assessment of the conference's system of internal controls and informing the Comptroller of the Treasury of the results of the assessment and controls to reduce the risk of fraud.

The Act<sup>7</sup> requires that an audit committee charter be developed and approved as follows:

- (a) An audit committee created pursuant to this chapter shall develop a written charter addressing the audit committee's purpose, powers, duties, and mission.
- (b) The comptroller of the treasury shall establish guidelines for creation of an audit committee charter and shall review the proposed charter to determine whether the charter contains the minimum necessary requirements.
- (c) The charter, and any subsequent amendments, shall be presented to the full state governing board, council, commission, or equivalent body, and the comptroller of the treasury for approval.<sup>8</sup>

The guidelines established by the Comptroller of the Treasury require the charter to include language that the committee will ensure the conference's code of conduct establishes and adheres to a conflict-of-interest policy.

Additionally, the Act requires the committee to establish a process for "employees, taxpayers, or other citizens [to] confidentially report suspected illegal, improper, wasteful, or fraudulent activity" and notify the Comptroller of the Treasury of any indications of fraud.<sup>9</sup>

### Committee on Legislation

The Committee on Legislation<sup>10</sup> meets as necessary and comprises 15 conference members appointed by the President, who receive and review suggested legislation from conference members and make recommendations. The results of these meetings are reported to the Executive Committee, which must approve any legislative recommendations made by the committee.

### Attendance and Quorum Requirements

All conference and committee members are required<sup>11</sup> to attend all meetings unless they have good cause (such as being required to appear in court). The members present and absent are documented in the meeting minutes, but the reason for an absence is not.

---

7. Section 4-35-103, *Tennessee Code Annotated*.

8. Statute also requires the Comptroller of the Treasury to approve all audit charters. We do not believe the Comptroller's role has affected our independence in conducting this audit.

9. Section 4-35-107(a), *Tennessee Code Annotated*.

10. Section 8-7-303, *Tennessee Code Annotated*.

11. Section 8-7-305, *Tennessee Code Annotated*.

According to the conference’s bylaws, “Those present at any meeting of the conference, shall constitute a quorum for the transaction of business at such meeting.” The bylaws define a quorum for the committees as a simple majority of the current members.

### **Conflicts of Interest**

State statute<sup>12</sup> requires certain elected officials, including the district attorneys general and the conference’s Executive Director, to annually complete a Statement of Disclosure of Interests form with the Tennessee Ethics Commission.<sup>13</sup> The commission’s disclosure form includes the official’s financial information and affiliations. Disclosures can be filed online or submitted on paper to the commission.

The Comptroller of the Treasury established guidelines required by statute<sup>14</sup> for audit committee charters, including addressing conflicts of interest. “Guidelines for Audit Committee Charters”<sup>15</sup> states,

The audit committee charter should require the audit committee to . . . review the conflict of interest policy to ensure that:

- the term “conflict of interest” is clearly defined,
- guidelines are comprehensive,
- annual signoff is required, and
- potential conflicts are adequately resolved and documented.

### **Tennessee Open Meetings Act**

#### **Public Notice**

As a governing body, the conference and its statutorily authorized committees are required to comply with the Tennessee Open Meetings Act,<sup>16</sup> which prohibits secret votes or ballots and requires the conference and the committees to host public meetings, provide adequate public notice of the meetings, record meeting minutes, and make meeting minutes available to the public.

The Office of the Executive Director’s (the office) staff posts physical notices of all<sup>17</sup> committee meetings in the office’s lobby and on the conference’s public website. Meeting notices include the

---

12. Section 8-50-501, *Tennessee Code Annotated*.

13. According to the Tennessee Ethics Commission website, the commission was created “in an effort to sustain the public’s confidence in government by increasing the integrity and transparency of state and local government through the regulation of lobbying activities, financial disclosure requirements and ethical conduct.”

14. Section 4-35-103(b), *Tennessee Code Annotated*.

15. <https://comptroller.tn.gov/content/dam/cot/sa/documents/GuidelinesForCommitteeCharters.pdf>.

16. Codified in Title 8, Chapter 44, *Tennessee Code Annotated*.

17. The Office of the Executive Director posts physical notices of meetings for the conference, Executive Committee, Finance and Audit Committee, and Committee on Legislation.

meeting date, time, and location. When the agenda is received, staff post a link with the meeting notice on the conference's website.

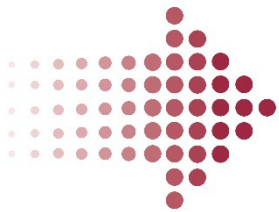
### Meetings and Minutes

Section 8-7-304, *Tennessee Code Annotated*, requires the conference to hold at least one annual meeting to elect a President, Vice President, Secretary, and other officers as necessary. The bylaws authorize the President to call additional conference and Executive Committee meetings as they deem necessary.

The conference's Secretary-Treasurer is responsible for taking the meeting minutes for the conference and the Executive Committee meetings. Conference and Executive Committee members review and approve the minutes at their respective meetings. The office's Executive Administrative Assistant maintains a physical and digital copy of the approved minutes.

### Current Audit

We focused our review on conference members and committees fulfilling their responsibilities outlined in state statutes and conference bylaws for the Audit Committee Act of 2005, attendance and quorum requirements, conflict-of-interest requirements, and the Tennessee Open Meetings Act. See **Finding 1** and **Observation 1**. See **Appendix 1** for our objectives, conclusions, and methodologies.



**Finding 1:** The conference's Committee on Finance and Audit did not have an approved audit committee charter, ensure the implementation of a conflict-of-interest policy, or implement a process to promote confidential reporting of fraud, waste, and abuse to comply with the Audit Committee Act

### Despite past audit recommendations, the conference has still not fully complied with the Audit Committee Act of 2005

Since 2004, our office has issued four audit reports recommending that the conference establish an audit committee and committee charter to fulfill requirements of the Audit Committee Act of 2005. Specifically, the Committee on Finance and Audit did not

- implement an approved audit charter;
- ensure the implementation of a conflict-of-interest policy for conference members and staff; and
- establish a process for employees and the public to report fraud, waste, and abuse confidentially.

The 2004 financial and compliance audit report of the Office of the Executive Director (the office) of the District Attorneys General Conference contained an observation recommending that the

conference create an audit committee, develop an audit charter, and establish policies and procedures encouraging staff to report any fraud or abuse to the audit committee. The 2008 financial and compliance audit report contained an observation indicating the conference had requested an exemption to the Audit Committee Act of 2005, which the Comptroller of the Treasury had denied; the report noted that the conference was in preliminary discussions to establish an audit committee. The 2014 performance audit report found that the conference had not created an audit committee per the Audit Committee Act of 2005. Office management responded that they did not see the need for an audit committee but would formally establish one composed of the office's Deputy Director and various division directors.

The 2017 financial and compliance audit report contained an observation that the Executive Director in place at the time had created an audit committee consisting of office staff. The report recommended that the audit committee should instead be a standing committee of conference members, submit an audit committee charter for the Comptroller of the Treasury to approve, and meet additional criteria outlined in the Audit Committee Act of 2005.

#### No Approved Audit Committee Charter

We found that the conference's Committee on Finance and Audit was not in compliance with the Audit Committee Act of 2005, codified in Title 4, Chapter 35, *Tennessee Code Annotated*. We determined that the conference submitted a proposed charter to our office in 2017 in response to the last audit. Our office recommended some changes, including a conflict-of-interest policy; however, no record exists of an amended charter being submitted to our office for approval. Without an approved audit committee charter, audit committee members may not fulfill their purpose and understand their powers, duties, and mission.

We brought the lack of an approved audit committee charter to the attention of the Executive Director, who stated that the Committee on Finance and Audit would vote to approve a charter and submit it to the Comptroller's Office for approval.

#### No Defined Process to Report Fraud, Waste, and Abuse

We also found that the Committee on Finance and Audit did not establish a process for employees and citizens to confidentially report fraud, waste, or abuse as required.<sup>18</sup> Without a clear and defined reporting mechanism, the Committee on Finance and Audit may not identify and address fraud, waste, or abuse, allowing unethical behavior to continue unchecked.

Office management stated they were unaware of this requirement and believed displaying the posters with the Comptroller's Hotline for fraud, waste, and abuse was sufficient. However, they stated they would update their policies to define a process for employees and citizens to report to the Committee on Finance and Audit.

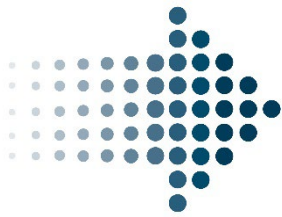
---

18. Per Section 4-35-107(a), *Tennessee Code Annotated*.

## No Conflict-of-Interest Policy

Although conference members and the Executive Director must submit an annual Statement of Disclosure of Interests to the Tennessee Ethics Commission, the conference has not established policies and procedures to address conference members' and staff's responsibilities to disclose potential conflicts to the conference as outlined in "Guidelines for Audit Committee Charters."<sup>19</sup> Without an established conflict-of-interest policy and its review by the audit committee to ensure transparency and accountability, the conference risks its members and staff not disclosing potential conflicts and not recusing themselves from the decision-making processes.

Office management explained that this issue would be addressed when the conference updates its audit committee charter.



**Recommendation:** The Committee on Finance and Audit members should submit an audit committee charter to the Comptroller's Office for approval; establish a confidential reporting process for employees and citizens to report fraud, waste, and abuse to the Committee on Finance and Audit; and oversee the implementation of a conflict-of-interest policy. The District Attorneys General Conference members and the Office of the Executive Director's management should update bylaws, policies, and procedures as necessary to certify these changes.

## Management's Comment

We concur. While unable to locate a letter indicating that the final audit committee charter was submitted to the Comptroller's office previously, an Audit Committee Charter was drafted including revisions suggested by the Comptroller's office. That audit committee charter was approved at the February 8, 2018, Executive Committee meeting. In order to ensure compliance, an updated Audit Committee Charter was approved including a conflict-of-interest policy and process to promote confidential reporting of fraud, waste, and abuse at the December 6, 2024, Executive Committee meeting, and the signed copy was submitted to the Comptroller's office on February 6, 2025.

---

19. <https://comptroller.tn.gov/content/dam/cot/sa/documents/GuidelinesForCommitteeCharters.pdf>.



## Conference's Comment

We concur with the finding and support the corrective actions of Management.

**Observation 1:** The conference and its committees should comply with all Open Meetings Act requirements governing meeting minutes and public notice

**The Open Meetings Act (the Act) requires the District Attorneys General Conference (the conference) and its committees to record and maintain meeting minutes and to provide public notice before meetings; however, the conference and its committees did not always meet these requirements**

### No Record of Meeting Minutes







Meeting minutes document that a meeting took place, member attendance, whether a quorum was present, and individual votes on issues. Based on our inquiries, we noted that while the conference and the Executive Committee had recorded and maintained meeting minutes, the conference did not record minutes for the Committee on Finance and Audit or the Committee on Legislation. Because these committees did not record minutes, the Office of the Executive Director's (the office) management did not maintain evidence that these committees recorded attendance and ensured a quorum was present to conduct committee business.

Office management stated they had not considered the Committee on Finance and Audit or the Committee on Legislation subject to the Act since they can only make recommendations to the Executive Committee. In the future, office management plans to record minutes for all committee meetings.

### No Record of Public Notice

As discussed above, because the Committee on Finance and Audit and the Committee on Legislation did not record meeting minutes, we could not determine that they provided adequate public notice before meetings. For the conference and Executive Committee meetings, we determined that office management had not implemented an effective control to ensure that public notice was given for these meetings. Specifically, we found the following (see **Figure 2**).

**Figure 2: Public Notice of Executive Committee and Conference Meetings, 2021 to 2023**

Year	Percentage of Meetings Without Public Notice	
	Conference Meetings	Executive Committee Meetings
2021	 1 of 2 meetings (50%)	 7 of 10 meetings (70%)
2022	 2 of 2 meetings (100%)	 10 of 10 meetings (100%)
2023	 1 of 2 meetings (50%)	 5 of 10 meetings (50%)

Source: Auditor created based on evidence of public notice.

Additionally, we noted that office management did not give timely public notice for two of five Executive Committee meetings (40%) held between January 1, 2024, and April 30, 2024. The public notices were given less than five days before the meetings. Office management stated they did not know why some meetings were not posted on the conference’s website. Going forward, management will work with the committee chairs to ensure the committees give adequate public notice and retain documentation of public notice.

By not following the Open Meetings Act, the conference creates a lack of transparency around its decision-making process that could result in a lack of public trust.

Conference members and the office’s management should consult with the state’s Attorney General and Reporter, who also serves as legal counsel for the conference, to ensure they fully comply with the Open Meetings Act. The conference members and office management should ensure committees give adequate public notice of upcoming meetings, and record and maintain meeting minutes. In addition, office management should evaluate their risk assessment to ensure they include the risks noted in this observation and implement effective controls to address them. Office management should update the risk assessment as necessary, assign staff responsible for ongoing monitoring of the risk and mitigating controls, and take action if deficiencies occur.

### **Management’s Comment**

We concur. TNDAGC [the conference] has all Executive Committee and conference committee meetings posted on the website with additional required information. All committees now take minutes at each meeting.

## Conference's Comment

We concur with the finding and support the corrective actions of Management.

---

## Office Equipment Management and Inventory

The District Attorneys General Conference's Office of the Executive Director oversees the purchasing and managing of physical assets for all 32 judicial districts in Tennessee. Our goal was to determine whether office management established and implemented effective internal controls for managing and safeguarding conference office equipment, including developing clear and consistent policies over office equipment, overseeing the inventory process, ensuring the equipment inventory list was complete and accurate, and reporting lost or stolen equipment to the Comptroller's Office. See **Finding 2**.

### General Background

The Office of the Executive Director (the office) supports the district attorneys general offices by performing administrative services such as management of office equipment, including purchasing, tracking, and disposing of equipment. Statute<sup>20</sup> requires the office to follow the Department of Finance and Administration's (F&A) established property management policies and its own internal policies.

### Policy and Process Descriptions

F&A policy defines "capital assets" as land, buildings, vehicles, equipment, and other tangible and intangible assets valued at \$5,000 and over with a life longer than one financial reporting period.<sup>21</sup> The policy requires capital assets with a life of three years or more to be reported in the government Statement of Financial Position. It also requires capital assets with a life of less than three years to be treated as sensitive non-capital assets.

---

20. Section 4-3-1007, *Tennessee Code Annotated*, requires F&A to establish policies over accounting practices and equipment. This includes the requirement to "supervise and regulate the making of an inventory of all removable equipment and other movable property belonging to the state government or any of its departments, institutions or agencies . . . and keep the inventory current."

21. F&A Policy 33, "Accounting for Capital Assets."

F&A policy defines “sensitive non-capital assets” as personal property and equipment valued between \$1,000 and \$4,999.<sup>22</sup> The policy requires state agencies to evaluate their property and equipment valued under \$1,000 as sensitive non-capital assets if they require special attention to

- ensure legal compliance,
- protect public safety and avoid potential liability, or
- compensate for a heightened risk of theft.

**Figure 3** shows the types of equipment that may be considered sensitive non-capital assets.

**Figure 3: Examples of Sensitive Non-capital Office Equipment**



Source: Department of Finance and Administration Policy 32.

The office spent the following amount on office equipment purchases during state fiscal years 2022, 2023, and 2024:

- 2022 – \$773,018,
- 2023 – \$1,225,379, and
- 2024 – \$255,865.

F&A Policy 32 requires agencies to develop an inventory system to track sensitive non-capital equipment and use the Department of General Services’ Warehousing and Distribution Division to surplus equipment. The policy also reiterates that when equipment is missing or cannot be accounted for, the agency must immediately notify the Comptroller of the Treasury, as outlined in the statute.<sup>23</sup>

The F&A policy further requires all agencies to perform two actions periodically:

- **Annual Certification**—Each agency must certify on a compliance form and submit the form to F&A’s Division of Accounts that it has a current inventory list of sensitive non-capital assets on file that is available for inspection and, according to the form, has “clear, consistent policies and procedures” in place for managing the assets.

22. F&A Policy 32, “Maintaining Control Over Items That Are Not Capitalized.”

23. Sections 8-4-119(a) and 8-19-501(a), *Tennessee Code Annotated*, direct state agencies to report theft, forgery, fraud, abuse, or any other intentionally unlawful or unauthorized taking of property to the Comptroller.

- Biennial Physical Inventory and Report – Each agency must take a physical inventory every other fiscal year to ensure the agency’s sensitive non-capital assets are still in use and correctly identified in the inventory tracking system. The agency may use sampling but must investigate and expand the sample size if they find discrepancies. When the inventory process is complete, the agency must submit a form<sup>24</sup> to F&A’s Division of Accounts, which includes a summary of the processes they followed and the results of the inventory process.

## Office Equipment Inventory Procedures

### Purchases and Asset Recording

For information technology (IT)-related office equipment at the district offices, the purchase process begins when a district sends a purchase request to the office’s Information Systems Manager. If the Information Systems Manager approves the request, the Information Services (IS) Division staff order the equipment delivered to the office and transfer it to the district office.

When the office receives the office equipment and invoice, the Fiscal Property Coordinator approves the invoice in Edison.<sup>25</sup> The Fiscal Property Coordinator prints a tag and gives it to the IS Division, whose staff tags and transfers the equipment to the district office. The Fiscal Property Coordinator uses the printed tag number and the serial number found on the invoice to enter the equipment into Fusion.<sup>26</sup> The Fiscal Property Coordinator also enters equipment valued over \$5,000 into Edison.

The district office orders and receives all non-IT-related office equipment. For all items less than \$1,000, the district completes the purchase without approval from the Fiscal Director. For non-IT-related equipment valued over \$1,000, the purchase process begins when a district sends a purchase request to the office’s Fiscal Director for approval. Once the district office receives the equipment and invoice, the district sends the invoice to the Fiscal Property Coordinator for approval in Edison. After ensuring several details about the item are present,<sup>27</sup> the Fiscal Property Coordinator prints a tag and mails it to the district for them to put on the property. The Fiscal Property Coordinator uses the printed tag number and the serial number found on the invoice to enter the piece of equipment into Fusion. The Fiscal Property Coordinator also enters equipment valued over \$5,000 into Edison.

**Figure 4** outlines the items that the conference requires to be tagged, regardless of cost.

---

24. The form is titled “Sensitive Non-Capital Asset Physical Inventory Summary Report.”

25. Edison is the State of Tennessee’s accounting system.

26. Fusion is the in-house database that the conference uses to record and track property and equipment.

27. Conference Policy C3, “Asset Inventory,” requires a description of the item, model number, serial number, location, purchase price, and cost center billed.

**Figure 4: Conference Equipment Required to Be Tagged**

Items to be tagged regardless of cost	
 Barcode scanners/cradles	 iPods
 Cameras (35mm and digital)	 Netbooks
 Camera lenses (200mm or larger)	 Night vision equipment
 Computers, all types	 Personal Digital Assistants
 Computer peripherals (external)	 Printers
 DVD players/recorders	 Televisions
 Fax machines	 Two-way radio transmitters/receivers and chargers
 Gaming systems	 Video cameras
 Geographic Information Systems	 Video recorders and players
 Global Positioning Systems	 Weapons
 iPads	

Source: Conference Policy C-2, “Purchasing Policy.”

### Surplus or Missing Office Equipment

When a district no longer has a use for a piece of office equipment, the district designates the item as surplus in Fusion. The district office uses Edison to notify the Department of General Services (DGS) that an item needs to be picked up and designates the item as “inactive” in Fusion. If the item contains sensitive data, the district must first transfer the item to the office’s IS Division to remove the sensitive data.

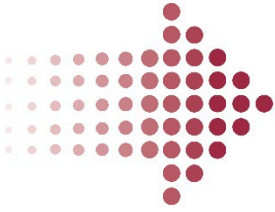
When the district office discovers that an item is missing or is believed to have been stolen, district office staff designate the item as such in Fusion and complete a lost/stolen form provided by DGS. If the item was thought to have been stolen, the district must also obtain a police report. The district office sends the lost/stolen form and police report to the office. The Information Systems Manager or Fiscal Property Coordinator reviews the form and ensures the office equipment has been designated correctly in Fusion. Then, the form is forwarded to DGS. For items valued at over \$5,000, DGS is responsible for designating items as surplus, lost, or stolen in Edison.

### Inventory Process

The office’s Fiscal Director completes the annual certification required by F&A Policy 32. The office relies on each district office to conduct an annual inventory of its equipment and notify the office if any equipment is missing or if its inventory contains any discrepancies.

## Current Audit

We focused our review on the office’s oversight of both capital and sensitive non-capital office equipment<sup>28</sup> to determine whether office management complied with state statutes and policies and implemented effective internal controls to safeguard office equipment. See **Finding 2**. See **Appendix 1** for our objectives, conclusions, and methodologies.



**Finding 2:** The Office of the Executive Director’s management did not establish and implement effective internal controls for managing and safeguarding conference office equipment, including developing clear and consistent policies, overseeing the inventory process, maintaining an up-to-date equipment inventory list, and reporting missing equipment to the Comptroller’s Office

We found that the Office of the Executive Director’s (the office) management did not establish and implement internal controls for office equipment purchased by the conference to ensure that the equipment was appropriately managed according to statutes and state and conference policies. Specifically, office management did not

- develop clear and consistent policies and procedures for equipment inventory,<sup>29</sup>
- oversee the equipment inventory process,<sup>30</sup>
- maintain an up-to-date equipment inventory list,<sup>31</sup>
- notify the Comptroller’s Office of lost or stolen equipment,<sup>32</sup> and
- identify risks related to office equipment on their Financial Integrity Act risk assessment.<sup>33</sup>

### **Management did not comply with requirements to have clear and consistent policies and procedures**

F&A Policy 32 requires each agency to annually submit a form certifying that they have an updated list of sensitive non-capital assets on file and ready for inspection and have “clear, consistent policies and procedures for dealing with sensitive non-capital assets.”

---

28. Our review only focused on office equipment and did not include other types of capital and sensitive non-capital assets.

29. Required by F&A Policy 32, “Maintaining Control Over Items That Are Not Capitalized.”

30. Required by F&A Policy 32.

31. Required by F&A Policy 32.

32. Required by Sections 8-4-119 and 8-19-501, *Tennessee Code Annotated*.

33. Required by Section 9-18-102, *Tennessee Code Annotated*.

We obtained the two most recent annual certifications that office management submitted in 2023 and 2024. Although office management certified that they had clear and consistent policies and procedures in place and an updated list of equipment inventory, our work determined that management did not have adequate policies and procedures for maintaining a complete and accurate inventory.

The conference's policy C-3 states, "The Property Manager is required to scan all tagged property annually to verify the physical location of the item versus what is recorded in Edison." Since Fusion was implemented in 2015, policy C-3 is outdated.

### **Management did not oversee the inventory process**

F&A Policy 32 requires state agencies to perform an inventory of sensitive non-capital assets at least biennially to ensure the assets are still in use and correctly identified in the agency's tracking system. F&A Policy 32 also requires agencies to submit a Biennial Physical Inventory and Report 30 days after the required biennial physical inventory, documenting the process and results.

We determined that office staff did not conduct a biennial physical inventory at all conference locations as required by F&A and conference policy. Instead, office management relied on each district office to perform an annual inventory and report any missing items or corrections to the equipment inventory list. The Information Systems Manager also stated that IS staff conduct an inventory review on a sample of haphazardly chosen items at one or two district offices per year when staff travel to perform IT-related services. Office management, however, did not provide oversight of the district office inventory procedures and could not provide documentation that the inventories were performed.

We also found that since 2017, the conference has not submitted a Biennial Physical Inventory and Report to F&A's Division of Accounts to document that they completed an inventory of the conference equipment.

### **Management did not maintain an up-to-date equipment list**

F&A Policy 32 requires each agency to maintain an inventory tracking system to "appropriately monitor and control the acquisition, transfer, disposal, and loss or damage of theft sensitive non-capital assets." When we examined the conference's equipment inventory list, we found that the conference did not comply with this requirement. The results of our audit work included the following:

#### **Purchased office equipment was not added to the equipment inventory list as required**

We selected a sample of equipment items from the population of the conference's office equipment purchased from July 1, 2021, through June 30, 2024. Our review found that office management did not ensure that staff updated the equipment inventory list. We found that 8 of 25 (32%) office equipment purchases were not correctly placed on the equipment inventory list maintained in Fusion. Specifically, 5 of the 8 items were missing from the equipment inventory list, and the remaining 3 items were not recorded accurately and had an inaccurate description or serial number.



Office equipment inventory contained inaccurate information and items that could not be located

We selected a sample of equipment items from the equipment inventory list in Fusion as of July 11, 2024. Our review found 11 of the 60 items tested (18%) in question. Specifically, we could not locate 6 of the items (10%), and the remaining 5 items (8%) had incorrect serial numbers or tag numbers recorded on the list. Office management indicated that 4 of the 6 missing items were previously sent to surplus, but they could not provide documentation supporting the surplus of these equipment items. The other 2 items were either lost or stolen. Office management indicated that the incorrect serial/tag numbers resulted from human error when adding items to the equipment inventory list.

When examining the equipment inventory list, we also found that not all items listed had information added to the fields for serial number, purchase date, invoice number, and voucher number. Office management responded that, in most cases, the information had been accidentally left off when the items were added to the list.

Without complete equipment information, management and staff could have difficulty tracking and locating equipment when performing inventory.

### **Management did not report lost or stolen items to the Comptroller's Office**

During our discussion with the office's management, we learned that management did not report lost or stolen items to the Comptroller's Office as required by statute.<sup>34</sup> After our discussion, the Information Systems Manager provided us with a list of 17 lost or stolen items reported to management between January 14, 2021, and July 22, 2024. We verified that the Comptroller's Office had received no prior notification about these items.

After we inquired about this process, the office's Property Coordinator sent a memo to the Comptroller's Office, dated July 23, 2024, reporting that 39 items were lost. Before this memo, the last correspondence from the conference regarding lost or stolen equipment was on June 23, 2021, from prior management. We compared the items in these memos to the 17 items from the Information Systems Manager's list and noted that none of the items were included in the memos sent to the Comptroller's Office in July 2024 or June 2021. Office management indicated that they reported lost or stolen items to the Department of General Services but were unaware of the requirement to report them to the Comptroller's Office.

### **Management did not identify in its annual risk assessment risks related to office equipment management, including purchasing, tracking, and disposing of surplus equipment**

We reviewed the conference's December 2023 Financial Integrity Act Risk Assessment and determined that office management did not identify any risks related to office equipment management, including purchasing, tracking, and disposing of surplus equipment. According to the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*

---

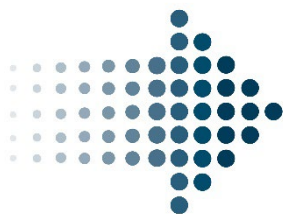
34. Sections 8-4-119 and 8-19-501, *Tennessee Code Annotated*.

(Green Book),<sup>35</sup> Principle 7.02, “Identification of Risks,” “management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.”

Subsequent to fieldwork, management provided us with the conference’s December 2024 Financial Integrity Act Risk Assessment. We noted that the 2024 risk assessment includes risks related to office equipment management. We will audit this risk assessment during the next audit.

### Effect

When office management does not design and implement effective controls to manage and safeguard office equipment, including purchasing, tracking, and disposing of surplus equipment, office management increases the risk of equipment losses and inaccurate equipment reporting. Had office management performed a biennial inventory as required by F&A Policy 32, they may have identified the same weaknesses addressed by this finding. Furthermore, this lack of controls increases the risk of fraud, waste, and abuse of conference resources.



**Recommendation:** The Office of the Executive Director’s management should update their written policies and procedures, oversee the physical inventory process, ensure the equipment inventory list is complete and accurate, and report lost or stolen assets to the Comptroller of the Treasury.

In addition, office management should evaluate their risk assessment to ensure they include the risks noted in this finding and should implement effective controls to address these risks. Office management should update the risk assessment as necessary, assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

### Management’s Comment

We concur. The Conference is updating inventory policies to ensure consistency in the reporting of missing equipment and statewide inventory.

---

35. The Green Book provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies.

## Conference's Comment

We concur with the finding and support the corrective actions of Management.

## Property Leases

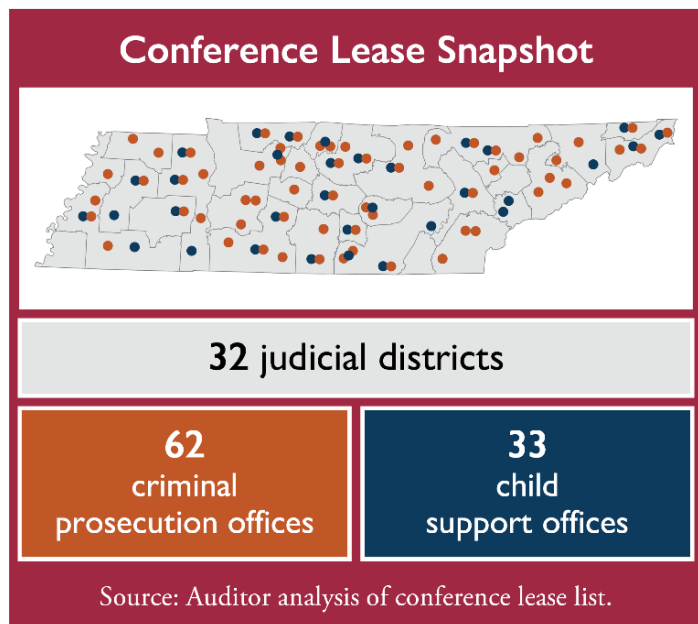
The District Attorneys General Conference's management is responsible for ensuring that district attorneys general have sufficient physical space to conduct business as they administer justice and serve their communities. Our goals were to determine whether the Office of the Executive Director's management developed and implemented a centralized process for leasing property for the district offices and whether office management submitted the required information on these leases to the Tennessee Department of Finance and Administration for inclusion in the *Annual Comprehensive Financial Report*. See **Finding 3**.

### General Background

As part of the Office of the Executive Director's (the office) administrative functions in the District Attorneys General Conference (the conference), the Executive Director and leadership team, in conjunction with the district attorneys general, are tasked with negotiating and executing office space leases for each of the 32 judicial districts, which include 62 criminal prosecution offices and 33 child support<sup>36</sup> offices as of June 1, 2024.

### Negotiating Leases

To document the conference-wide processes and procedures, the Executive Director and the office's Fiscal Director implemented a fiscal manual that details office lease requirements. The manual indicates that all leases must be approved by the Executive Director and the district attorney general, and that each formal lease contract must



36. The conference has an interagency grant agreement with the Department of Human Services to provide Child Support Program services through local district attorneys general offices in 21 of the 32 judicial districts. Services include overseeing child support cases for establishing and enforcing child support orders and medical support, collecting and distributing payments, and identifying the location of the child's parent(s) for obtaining support or establishing paternity.

specify the exact legal relationship between the conference, the district attorney general, and the property owner(s). The lease length is limited,<sup>37</sup> typically a maximum of eight years to align with the district attorney general's term in office. Should a district attorney general need to relocate their office or renew their lease, they must contact the Executive Director or the Deputy Executive Director with a renewal or relocation request to initiate the process. The district attorneys general are also responsible for identifying new office space locations to meet their needs; however, the office's Information Services (IS) Division also helps ensure the office space supports the needed technological activities. The Executive Director requires all new and renewal lease requests to be submitted before June each year to effectively estimate the conference's budget for the following fiscal year.

The Executive Director and office management assist the district attorneys general in negotiations with the landlord to finalize the terms within the lease contract and, when necessary, coordinate with the State Building Commission<sup>38</sup> and the Department of General Services (DGS) for specific needs. The office's management uses a lease template provided by DGS and approved by the state's Office of the Attorney General and Reporter for all district offices. The office's Executive Director and the applicable district attorney general coordinate with the Department of Human Services to ensure sufficient space for all child support offices to meet federal security requirements.

After the negotiations are finalized, office management develops a draft lease contract. The Executive Director, district attorney general, and property owners sign the approved lease contract. The office's Fiscal Division maintains the original lease contracts and sends a signed copy to the district attorney general and property owners. The monthly rental payment begins as specified by the start date in the lease.

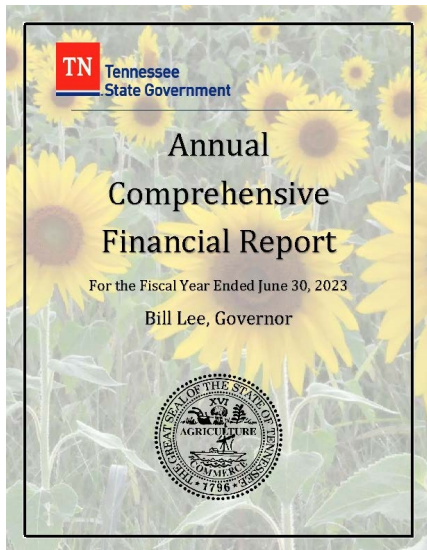
### **Reporting Lease Information to the Department of Finance and Administration**

The State of Tennessee follows Government Accounting Standards Board (GASB) Statement 87 for guidance on accounting and financial reporting of leases. This statement creates a standard method for governments to handle lease accounting. Specifically, the statement views leases as an agreement to pay for the right to use an asset, such as office buildings. This rule increases the usefulness of governmental financial statements by requiring governments to show certain leases as both something they own (assets) and something they owe (liabilities). The requirements of this statement were effective for reporting periods beginning after June 15, 2021.

---

37. Because the lease lengths are limited, the contract may include an option to renew the current lease terms when the existing term has expired.

38. The State Building Commission is a statutorily created body that oversees construction of all state public buildings, including authority over most state construction and demolition projects and the acquisition and disposal of state lands (in fee, easement, or by lease).



Fiscal year 2023 *Annual Comprehensive Financial Report*, available at [https://www.tn.gov/content/dam/tn/finance/acfr/ACFR\\_fy23.pdf](https://www.tn.gov/content/dam/tn/finance/acfr/ACFR_fy23.pdf).

Each year, the Department of Finance and Administration (F&A) requires governmental agencies, including the conference, to submit a list of their leases so that F&A can identify the appropriate accounting methods and include them in Tennessee's *Annual Comprehensive Financial Report* (ACFR).<sup>39</sup>

To complete this process, F&A sends all state government entities a survey spreadsheet to complete during the fiscal year-end closing process. This survey requires these entities to enter all lease information, such as land, buildings, vehicles, and equipment. Users must include the type and length of the lease and the lessor and answer a list of questions that determine whether the lease is long- or short-term, per GASB requirements. Office management must also provide F&A with the lease contracts and any requested supporting documentation.

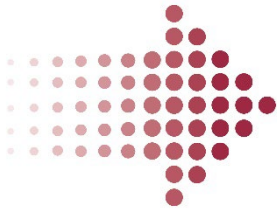
For the first reporting period for these requirements (fiscal year 2022), F&A required all agencies to submit a complete list of leases. Subsequent reporting periods only require the agencies to include new or amended leases from the fiscal year. After office management submits the survey to F&A, F&A reviews it to confirm accounting methods for each lease, verifies that the conference provided all supporting documentation, and enters all necessary information from the survey into Edison for eventual inclusion in the state's ACFR.

### Current Audit

We focused our review on understanding the office's leasing process to determine whether office management developed and implemented a centralized process for negotiating and executing lease contracts for district offices and reported lease information to F&A for state financial reporting. See **Finding 3**. See **Appendix 1** for our detailed audit objectives, conclusions, and methodologies.

---

39. The ACFR includes financial statements for the state that comply with the accounting requirements established by GASB.



**Finding 3:** The Office of the Executive Director’s management failed to submit all required office lease information to the Department of Finance and Administration for inclusion in the state’s *Annual Comprehensive Financial Report* for fiscal years 2022, 2023, and 2024

**The office’s Fiscal Director did not include any of the conference’s 98 office leases in its survey submission to F&A**

The District Attorneys General Conference (the conference) is subject to the financial reporting procedures that F&A issues to all state agencies. The conference is responsible for maintaining accurate records of its lease contracts and providing all necessary information to F&A to prepare the ACFR financial statements.

Since the implementation of GASB Statement 87, we determined that for fiscal years 2022, 2023, and 2024, office management did not include any of the district offices’ building lease information in the survey submission to F&A. Office management said the former Fiscal Director completed the survey when the initial lease information was required for fiscal year 2022 reporting. The current Fiscal Director assumed the fiscal year 2022 submission was accurate and used it as guidance when completing the fiscal year 2023 submission. Based on our discussion with the office’s fiscal management, our walkthroughs of the survey process, and our review of the instructions included in the survey, we found that the current Fiscal Director seemed unclear about the lease reporting requirements and, as a result, did not include the office building leases.

We communicated this issue to the Fiscal Director on July 18, 2024, before the conference submitted the fiscal year 2024 survey; however, the current Fiscal Director still did not submit any office lease information to F&A for fiscal year 2024.

The Office of the Executive Director is responsible for submitting accurate and complete data to F&A to ensure the state’s financial statements offer full transparency. Without the conference’s required office building lease information, the state cannot fulfill the financial reporting requirements or ensure that the state’s financial statements and note disclosures are accurate and complete.

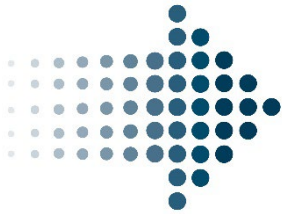
**Management did not identify in its annual risk assessment risks related to reporting lease information**

We reviewed the conference’s December 2023 Financial Integrity Act Risk Assessment and determined that office management did not identify any risks related to failing to report requested financial statement information to F&A for compliance with GASB Statement 87. According to the U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government* (Green Book),<sup>40</sup> Principle 7.02, “Identification of Risks,” “management identifies risks throughout

---

40. The Green Book provides a comprehensive framework for internal control practices in federal agencies and serves as a best practice for other government agencies, including state agencies.

the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.”



**Recommendation:** The Office of the Executive Director’s management should ensure all lease information required in the survey instructions is submitted to the Department of Finance and Administration to meet the state’s financial reporting requirements.

In addition, office management should evaluate their risk assessment to ensure they include the risks noted in this finding and should implement effective controls to address these risks. Office management should update the risk assessment as necessary, assign staff to be responsible for ongoing monitoring of the risk and mitigating controls, and take action if deficiencies occur.

### **Management’s Comment**

We concur. The Fiscal Department has conferred with the Department of Finance and Administration and submitted the required lease information.

### **Conference’s Comment**

We concur with the finding and support the corrective actions of Management.

---

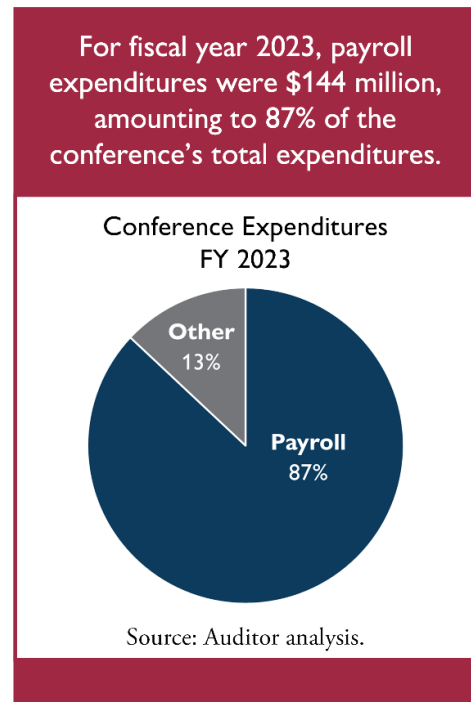
## **Payroll**

The Office of the Executive Director’s Human Resources Division processes payroll for all Office of the Executive Director and district attorneys general office employees across the state. Our goal was to determine whether office management ensured employees were paid accurately. See **Observation 2.**

## General Background

Each month, the Office of the Executive Director’s (the office) Human Resources (HR) Division processes payroll for all office and district attorneys general office employees for each of the 32 districts across the state. The Department of Finance and Administration classifies the District Attorneys General Conference (the conference) as a “records purposes only” agency, meaning employees do not enter time worked or leave taken in Edison.<sup>41</sup> Instead, each full-time employee is scheduled at 37.5 hours per week for the entire month unless HR manually enters a payroll exception, such as leave without pay or other adjustments, into the employee’s Edison timesheet. For all part-time employees, HR manually enters the employees’ work schedules into Edison for the applicable pay period.

As of June 2024, the conference had 1,337 employees, as shown in **Figure 5**.



**Figure 5: Employee Count as of June 30, 2024**

	Full-time Employees	Part-time Employees
Criminal Prosecution	921	7
Office of the Executive Director	34	8
Child Support	367	0
<b>Total Employees</b>	<b>1,322</b>	<b>15</b>

Source: Office of the Executive Director’s management.

State statute<sup>42</sup> details the required base annual salaries for the following positions within district attorneys general offices:

- district attorneys general: \$205,328,
- assistant district attorneys: \$63,853, and
- criminal investigators: \$43,180.

The statute requires salaries to increase annually for assistant district attorneys and biennially for criminal investigators based on the average percentage pay increase provided for state employees. For

41. Edison is the State of Tennessee’s accounting system.

42. Sections 8-7-105, 8-7-226, and 8-7-230, *Tennessee Code Annotated*.



all other district attorneys general office positions,<sup>43</sup> salaries are not set by state statute. Instead, the conference established salaries within pay schedules<sup>44</sup> for these positions and determines salary adjustments based on available resources.

The Executive Director does not require specific pay schedules for the office's positions. Instead, the Executive Director approves all salaries for these positions.

### **Payroll Process**

To ensure accurate monthly payroll processing, the office's HR Director, HR Analyst, and Payroll Officer coordinate efforts to record all payroll entries accurately in Edison for all conference employees. The HR Division uses an in-house system, the Management System, to keep accurate records of all conference employee positions, specifically to retain information on occupied and vacant positions and employee salaries. Each month, the HR Director extracts the employee list from the Management System to create a payroll spreadsheet to document all changes to payroll for the applicable pay period. Throughout the month, district office managers and office management provide the HR Director and HR Analyst with information regarding newly hired employees, exceptions or adjustments to employees' payroll, or information regarding terminated or separated employees. The HR Analyst logs the payroll exceptions or adjustments and part-time employee hours worked on the monthly payroll spreadsheet and only updates the system for any permanent adjustments to salaries or positions. Next, the HR Analyst manually enters this information into Edison for each employee throughout the month during specified time frames established by the Department of Human Resources (DOHR).

### **Payroll Exceptions and Adjustments**

The HR Director oversees the completion of the payroll spreadsheet each month. She communicates with the HR Analyst and the Payroll Officer to ensure all payroll exceptions and adjustments are captured within the payroll spreadsheet and recorded in Edison. The following payroll exceptions and adjustments directly impact an employee's salary or hourly pay:

- new employees,
- leave without pay,
- employee separations, and
- salary changes.

### *New Employees*

When a new employee is hired, conference management provides the HR Director with a new-hire packet containing all necessary payroll information and other employment forms. The HR Director

---

43. These positions include Victim Witness Coordinator, Assistant Victim Witness Coordinator, Administrative Assistant/Officer, Executive Secretary, Secretary, DUI Coordinator, Child Support Investigator, Child Support Administrator, Child Support Specialist, and Paralegal.

44. Pay schedules are a compensation structure in which an employee's salary is determined by their experience.

confirms the position and starting salary with the district office management or the Executive Director. Then, the HR Director provides the HR Analyst with a physical copy of the new-hire packet. The HR Analyst adds the employee's information to the payroll spreadsheet and the Management System and creates or transfers the new hire's Edison account, establishing the employee's salary and schedule for payroll purposes. If the HR Analyst does not enter any exception to an employee's payroll, Edison automatically pays the employee their full monthly wages.

### *Leave Without Pay*

Because the conference is classified as a records purposes only agency, it does not track employees' annual leave or sick leave balances in Edison. The district attorneys general and the office management have developed independent methods for tracking leave and attendance. Each district attorney general can establish leave and attendance policies or follow the state's policy.<sup>45</sup> The district offices maintain individual records of their employee leave balances. The office's HR Director maintains records of the office's employee leave balances and attendance records.

When a district office employee takes leave without pay (LWOP), district office management emails the HR Director and the HR Analyst<sup>46</sup> detailing the amount of LWOP per day for the applicable pay period. The HR Analyst notes the LWOP on the payroll spreadsheet and enters the LWOP hours into the employee's Edison timesheet for the specified days. Edison automatically calculates the employee's paycheck based on the regular monthly hours worked.

The Executive Director has chosen to follow the state's policy for office employees. When an office employee takes leave, the employee's Director provides the HR Director with a signed leave slip.<sup>47</sup> If the employee does not have enough leave available to cover their leave request, the HR Director provides a copy of the slip to the HR Analyst, who then notes the LWOP information into the payroll spreadsheet and enters the LWOP hours into the employee's Edison timesheet to calculate the employee's paycheck.

### *Employee Separations*

When an employee is terminated, resigns, or retires, conference management provides the HR Director and HR Analyst with an Employee Termination Form, which includes the employee's termination date, reason<sup>48</sup> for resignation or termination, and position. The HR Analyst adds the effective termination date to the payroll spreadsheet, the Management System, and Edison, which automatically calculates<sup>49</sup> the employee's final paycheck. If HR is notified of an employee's

---

45. Most district offices have opted not to establish their own policies and instead follow the state's attendance and leave policy established by DOHR.

46. If the HR Analyst is not copied in the payroll email, the HR Director will forward or print out a hard copy of the email and provide it to the HR Analyst.

47. A leave slip is a physical document, only used by office employees, to track dates and hours for which the employee will take leave.

48. A reason for termination is not necessary unless it is for retirement or death of the employee.

49. HR has a separate process to manually calculate payment for remaining leave balances when an employee separates from the conference. This is usually processed separately from the regular paycheck.

termination date after payroll is processed, HR will coordinate with DOHR to cancel payment or to process a recoupment of payment.

### *Salary Changes*

Throughout the month, the HR Director and HR Analyst note and verify on the payroll spreadsheet all salary changes resulting from a position change, promotion, or regular salary increase. As detailed above, the HR Director updates the pay of all district office positions with salaries established by pay schedules on July 1 each year following the established pay schedules.

Office employees are evaluated annually for performance. When funding is available, these evaluations may be used to increase salaries. The HR Director and HR Analyst note all salary changes in the payroll spreadsheet and enter the data in the employee's Edison account and the Management System.

### *Recovering Overpayments*

When the district offices notify the HR Division of a payroll exception or adjustment at the end of the month, after payroll has been processed but before payment, the DOHR Central Payroll Division advises the HR Director to submit a request to cancel the employee's paycheck. Within this request, the HR Director provides all necessary information to properly adjust and reissue the employee's paycheck.

For corrections involving an employee's termination, the DOHR Central Payroll Division has advised the HR Director to recoup the overpayment by reducing the appropriate amount from the employee's annual leave balance payment, which is usually processed separately the following month. If these options are unavailable, the HR Director contacts the DOHR Central Payroll Division to handle the recoupment process.

### *Pay Card Process*

The office's HR Division uses pay cards—physical pieces of paper for each employee—as an internal process to review employee monthly wages and identify salary errors after payroll is paid. The month after payroll is processed and paid, the HR Payroll Officer begins the monthly pay card process<sup>50</sup> designed to manually compare the amounts of employees' current month's wages with amounts from previous pay periods. The Payroll Officer prints a hard copy of the previous month's Edison monthly payroll register to update the pay cards. Next, the Payroll Officer notes the monthly wage amount from the register on the employee's pay card for all office and district attorneys general office employees. When the Payroll Officer notices a difference in these amounts noted on the pay card, the Payroll Officer reviews the monthly payroll spreadsheet or Edison to ensure that the employee's wages are accurate.

---

50. The task of completing the pay card process does not have a specific due date; however, the HR Payroll Officer aims to keep the pay cards current. Because the pay card process can be lengthy, it is completed over multiple days during the month after the applicable pay period.

## Current Audit

We focused our review on understanding the office's payroll process to determine if office management developed and implemented a centralized process to ensure employees' wages were calculated correctly. See **Observation 2**. See **Appendix 1** for our detailed audit objectives, conclusions, and methodologies.

**Observation 2:** The Office of the Executive Director's management could improve the office's payroll process to enhance efficiency and reduce the risk of human error and inaccuracies in employee wages

### **Management established a centralized process for payroll; however, we identified areas where the payroll process could be improved to enhance efficiency and reduce risks**

Office management's current payroll process involves manual tasks that require significant human intervention. According to the HR Director and staff, these manual tasks take extensive time to complete and include

1. logging all emailed payroll exceptions and adjustments on a monthly payroll spreadsheet,
2. updating the Management System with employee position and salary data, and
3. updating over 1,300 monthly pay cards with the payroll amount processed to compare to the previous month's amount.

Office management's current payroll process does not include a complete reconciliation between wages paid and all source documentation, such as email communications, to verify the accuracy of the exceptions or adjustments logged on the monthly payroll spreadsheets and applied to employee wages. Instead, office management relies on the Payroll Officer's monthly pay card process, which is a limited review and not a complete reconciliation. Additionally, these procedures occur after the payroll is finalized.

Not conducting a thorough reconciliation of the work completed through these manual tasks increases the risk of human error and inaccuracies in employee wages. Automating these manual processes could enable a more effective reconciliation or quality control review and allow staff to focus on more strategic tasks.

According to best practices outlined in the *Standards for Internal Control in the Federal Government*, automation can enhance the efficiency, accuracy, and reliability of internal control processes by reducing human error and enabling real-time monitoring of transaction data. Management should strengthen its internal control activities by leveraging automation where feasible to reduce processing times, minimize the risk of errors, and maximize cost-effectiveness.

## Management's Comment

We concur. Since July 2023, the new leadership of the Conference is in the process of reviewing and implementing updated technologies and strategies in all departments to increase efficiency and establish new procedures.

## Conference's Comment

We concur with the finding and support the corrective actions of Management.

---

## Information Technology Service Requests

The Office of the Executive Director's Information Services Division provides assistance with any technology-related issues to the Office of the Executive Director and to district attorneys general office employees. Our goal was to determine whether office management developed and implemented a process to assign, manage, and efficiently resolve service requests. Our review did not result in any findings or observations.

## General Background

To ensure the District Attorneys General Conference (the conference) can fulfill its duties and responsibilities to prosecute criminal cases on behalf of the state, advocate for Tennesseans, and defend Tennesseans' constitutional rights, the Office of the Executive Director's (the office) Information Services (IS) Division manages a number of information technology systems and devices necessary for the daily operations of the office and 28<sup>51</sup> of the 32 judicial districts.

To maintain reliable access to technology resources, the IS Division implemented an Information Technology (IT) service request tracker via a service management help desk software called ManageEngine (Help Desk) to efficiently manage and resolve all employee technology-related issues. As computer-related issues arise, employees may submit a service request by calling a provided support line or by accessing the Help Desk through the conference's intranet. The Help Desk automatically assigns service requests to the IS Computer Support Specialists, who coordinate with the IS Division management to ensure service requests are resolved timely.

---

51. The office's IS Division does not provide support services to the Davidson, Knox, Hamilton, and Shelby County judicial district offices. These district offices are primarily supported by their respective local governments and in-house staff.

## IS Help Desk Process

When a service request is submitted, an IS Computer Support Specialist assigned the request is notified and can access the request within a queue on the Help Desk dashboard. Each day, the specialists first work to resolve requests that employees designate as “urgent” and reach out to employees by email or phone based on employee preference. IS Computer Support Specialists may access the employee’s computer through remote assistance or may provide instructions to the employee by email or telephone. If equipment needs to be replaced or repaired, they may also travel to the on-site location.

As IS Computer Support Specialists work on assigned service requests, they document the services provided to resolve the request and any notes necessary to explain a delay. The Help Desk application helps specialists effectively manage open service requests by indicating which ones need work or which are waiting for a response from the employee. For any service requests placed on hold,<sup>52</sup> they are required to provide a specific time frame for estimated response times. The Help Desk momentarily removes the service request from their queue and returns it at the response time provided.

The Information Systems Manager reviews the Help Desk dashboard daily to identify service requests that the specialists have not responded to within 24 hours. The Information Systems Manager also reviews the Help Desk dashboard to ensure all service requests are properly assigned to a specialist. The Information Systems Manager or other IS Systems Administrator may help resolve service requests.

Once an IS Computer Support Specialist has resolved the employee’s issue, they provide the employee with a statement explaining what they did to resolve the service request. The specialist closes the service request in the Help Desk dashboard; however, the requestor may reopen the request for further assistance.

## Current Audit

We focused our review on the IS Division’s process for assigning, managing, and efficiently resolving IT service requests. We performed data analytics on IT service requests to identify the length of time it took to respond and resolve them and to determine whether the response and resolution times were justified. Our review did not result in any findings or observations. See **Appendix 1** for our detailed audit objectives, conclusions, and methodologies.

---

52. Service requests may be placed on hold if issues require third-party assistance, if employees are out of the office for an extended period, for delays with computer updates, or because new-hire and termination-related service requests have been postponed to future dates.

## Appendices

### Appendix 1: Objectives, Conclusions, and Methodologies

#### Conference Responsibilities

---

- 1. Audit Objective:** Did the conference's Committee on Finance and Audit create a charter and implement a process for employees and citizens to confidentially report fraud, waste, and abuse as required by Title 4, Chapter 35, *Tennessee Code Annotated*, and structure the committee as required by the bylaws?

**Conclusion:** The conference's Committee on Finance and Audit could not locate its audit committee charter and did not implement a process for employees and citizens to confidentially report fraud, waste, or abuse as required by statute. See **Finding 1**.

Additionally, we noted that the committee did not comply with bylaws that required the conference's Vice President to serve as the committee chair. Subsequent to fieldwork, the conference voted to amend its bylaws to remove this requirement.

- 2. Audit Objective:** Did the District Attorneys General Conference and its statutorily authorized committees meet as required and comply with attendance and quorum requirements established in its enabling statute and conference bylaws?

**Conclusion:** The District Attorneys General Conference and the Executive Committee met as required and complied with attendance and quorum requirements established in its enabling statute and conference bylaws. However, since the Committee on Finance and Audit and the Committee on Legislation did not record minutes, we could not determine if the committees complied with attendance and quorum requirements. See **Observation 1**.

- 3. Audit Objective:** Did the District Attorneys General Conference members and the Executive Director submit Statement of Disclosure of Interests forms to the Tennessee Ethics Commission as required by Sections 8-50-501 and 8-50-504, *Tennessee Code Annotated*?

**Conclusion:** The District Attorneys General Conference members and the Executive Director submitted Statement of Disclosure of Interests forms to the Tennessee Ethics Commission as required by statute.

## Appendix 1 (Continued)

**4. Audit Objective:** Did the conference’s Committee on Finance and Audit members design and implement conflict-of-interest policies and procedures as required by the Office of the Comptroller of the Treasury’s “Guidelines for Audit Committee Charters”?

**Conclusion:** The conference’s Committee on Finance and Audit members did not design and implement conflict-of-interest policies and procedures as required by the Comptroller’s “Guidelines for Audit Committee Charters.” See **Finding 1**.

**5. Audit Objective:** Did the District Attorneys General Conference and its statutorily authorized committees provide public notice and record and maintain meeting minutes for all meetings in accordance with the Tennessee Open Meetings Act?

**Conclusion:** The District Attorneys General Conference and the Executive Committee recorded and maintained meeting minutes; however, they did not consistently give public notice of their meetings in accordance with the Act. The Committee on Finance and Audit and the Committee on Legislation did not record minutes in accordance with the Act; therefore, we could not determine if public notice requirements were met. See **Observation 1**.

### *Methodology to Address the Audit Objectives*

To address audit objective 1, we reviewed Sections 4-35-101 through 4-35-108, *Tennessee Code Annotated*; the conference’s bylaws; and “Guidelines for Audit Committee Charters” published by the Comptroller of the Treasury’s Division of State Audit. We also reviewed the prior audit reports and correspondence between the conference and the Comptroller of the Treasury regarding the conference’s audit committee charter. We interviewed the Committee on Finance and Audit Chair, the Executive Committee President, and the Office of the Executive Director’s Executive Director and Deputy Executive Director to determine if the Committee on Finance and Audit created a charter and implemented a process for employees and citizens to confidentially report fraud, waste, and abuse, and was structured in accordance with the bylaws.

To address audit objective 2, including gaining an understanding of the Office of the Executive Director’s management’s design of internal control relevant to our audit objective, we reviewed Section 8-7-305, *Tennessee Code Annotated*, and the conference’s bylaws. We made inquiries with the Executive Committee President; the Committee on Finance and Audit Chair; and the Office of the Executive Director’s Deputy Executive Director and Executive Administrative Assistant, and we obtained and reviewed documentation, including member lists and meeting minutes. To determine if meetings took place as often as required, members regularly attended, and meetings achieved a quorum, we performed testwork on all 6 conference meetings that occurred from January 1, 2021, through December 31, 2023, and all 35 Executive Committee meetings held from January 1, 2021, through April 30, 2024.



## Appendix 1 (Continued)

To address audit objectives 3 and 4, we reviewed Sections 12-4-106 and 8-50-501 through 8-50-507, *Tennessee Code Annotated*. We interviewed the conference's President, the Committee on Finance and Audit Chair, and the Executive Director. We performed testwork to determine if all<sup>53</sup> elected district attorneys general and the conference's Executive Director annually submitted a Statement of Disclosure of Interests to the Tennessee Ethics Commission during calendar years 2021, 2022, 2023, and 2024.

To address audit objective 5, we gained an understanding of the Office of the Executive Director's management's design of internal control relevant to our audit objectives, and we reviewed Sections 8-44-102 through 8-44-104, *Tennessee Code Annotated*, and the conference's bylaws. We made inquiries with the Executive Committee President and the Office of the Executive Director's Executive Administrative Assistant and Research Analyst, and we obtained and reviewed documentation, including public notices and meeting minutes. To determine if adequate public notice of meetings was given and meeting minutes were recorded, approved, and maintained, we performed testwork on all 6 conference meetings held from January 1, 2021, through December 31, 2023, and all 35 Executive Committee meetings held from January 1, 2021, through April 30, 2024.

---

### Office Equipment Management and Inventory

---

**Audit Objective:** Did the Office of the Executive Director's management establish and implement effective internal controls for managing and safeguarding conference office equipment including developing clear and consistent policies over office equipment, overseeing the inventory process, ensuring the equipment inventory list was complete and accurate, and reporting lost or stolen equipment to the Comptroller's Office?

**Conclusion:** The Office of the Executive Director's management did not establish and implement effective internal controls for managing and safeguarding conference office equipment. We found that office management did not develop clear and consistent policies over office equipment, oversee the inventory process, ensure the equipment inventory list was complete and accurate, and report lost or stolen equipment to the Comptroller's Office. See **Finding 2.**

#### *Methodology to Address the Audit Objective*

To address our audit objective, including gaining an understanding and assessing the Office of the Executive Director management's design of internal controls relevant to our audit objective, we interviewed the Fiscal Director, the Fiscal Property Coordinator, and the Information Systems Manager. We also made inquiries and inspected documentation to learn about the Office of the

---

53. In 2021 and 2022, there were 31 judicial districts; however, as of September 2022, there are 32 judicial districts.

## Appendix 1 (Continued)

Executive Director's procedures for purchasing, tagging, recording, disposing, and performing inventory of office equipment. We also reviewed various statutes and policies:

- Sections 4-3-1007, 8-4-119, and 8-19-501, *Tennessee Code Annotated*;
- Department of Finance and Administration Policy 32, "Maintaining Control Over Items That Are Not Capitalized";
- Department of Finance and Administration Policy 33, "Accounting for Capital Assets"; and
- Conference policies C-2, "Purchasing Policy," and C-3, "Asset Inventory Policy."

We obtained a population of all office equipment the conference purchased from July 1, 2021, through June 30, 2024. From the population of 573 items, we selected a nonstatistical, random sample of 25 items. We compared these 25 purchases to the equipment inventory list to determine if staff accurately included them on the equipment inventory list. If purchases were not included on the list, we determined whether management had properly disposed of the equipment items or reported them as lost or stolen to the Comptroller's Office. Additionally, we examined the equipment inventory list of 6,883 items to identify fields with missing information.

We obtained a list of the conference's equipment as of July 11, 2024, from the Office of the Executive Director management and selected a nonstatistical, random sample of 60 pieces of office equipment from a population of 6,883 items. We performed testwork to determine

- if the piece of office equipment could be physically located, and if not, whether staff followed proper procedures to either dispose the equipment or report lost or stolen items to the Comptroller's Office; and
- if the serial number, model number, tag number, and manufacturer's name on the office equipment matched the information in the equipment list.

We obtained a list of all lost or stolen office equipment items from January 14, 2021, through July 22, 2024, and examined correspondence to the Comptroller's Office to determine if the items had been reported to the office.

---

### Property Leases

---

**1. Audit Objective:** Did the Office of the Executive Director's management develop and implement a centralized process for leasing property for the district offices?

**Conclusion:** The Office of the Executive Director's management developed and implemented a centralized process for leasing office property for the district offices.

## Appendix 1 (Continued)

**2. Audit Objective:** Did the Office of the Executive Director’s management submit to the Department of Finance and Administration (F&A) the required financial information related to leasing property for the district offices for inclusion in the *Annual Comprehensive Financial Report* (ACFR)?

**Conclusion:** For fiscal years 2022, 2023, and 2024, the Office of the Executive Director’s management did not submit to F&A all required financial information related to leasing property for the district offices for inclusion in the ACFR. See **Finding 3.**

### *Methodology to Address the Audit Objective*

To address audit objective 1, we interviewed the Executive Director, Fiscal Director, Deputy Executive Director, and Fiscal Division staff; reviewed the Office of the Executive Director’s fiscal manual and applicable sections of *Tennessee Code Annotated*; and observed operational processes to obtain an understanding of internal controls significant to our audit objective and to assess the Office of the Executive Director’s management’s design, implementation, and operating effectiveness of internal controls.

To determine if the Office of the Executive Director’s management has developed and implemented a centralized process for leasing property for the district attorneys general offices, we obtained a list of 98 district office lease contracts in effect as of June 1, 2024. We selected a nonstatistical, random sample of 10 lease contracts to determine if the leases were executed through a centralized process in accordance with the guidelines detailed in the Office of the Executive Director’s fiscal manual. To assess the implementation and operating effectiveness of internal control, we reviewed the Executive Director’s documented approval of the 10 lease contracts.

To address audit objective 2, we interviewed the Executive Director, Fiscal Director, Fiscal Division staff, and F&A’s Fiscal Director of the Financial Reporting Group; reviewed the ACFR surveys and GASB Statement 87; and observed operational processes.

To determine if the Office of the Executive Director’s management submitted all the required financial information to F&A for inclusion in the ACFR, we obtained their completed fiscal year 2022, 2023, and 2024 ACFR surveys and compared them to the list of leases management provided us to ensure the surveys contained all required information for state financial reporting.

## Payroll

---

**Audit Objective:** Did the Office of the Executive Director’s management ensure employees’ wages were calculated correctly?

**Conclusion:** Based on our review, we determined that the Office of the Executive Director’s management ensured employees’ wages were calculated correctly in accordance with statute; however, we identified areas where the Office of the Executive

## Appendix 1 (Continued)

Director's management could improve the payroll process to enhance efficiency and reduce risks. See **Observation 2**.

### *Methodology to Address the Audit Objective*

To address our audit objective, including gaining an understanding and assessing the Office of the Executive Director's management's design of internal controls relevant to our audit objective, we interviewed the Human Resources (HR) Director, the HR Analyst, and the Payroll Officer. We also reviewed the Office of the Executive Director's HR policies, applicable state statutes, and applicable pay schedules effective for the period July 1, 2021, through May 31, 2024.

To determine if the Office of the Executive Director's management ensured employees' wages were calculated correctly, we obtained a population of 1,408 individuals employed by the conference as of May 31, 2024. From the population, we selected a nonstatistical, random sample of 60 employees and analyzed all payroll transactions between July 1, 2021, and May 31, 2024; reviewed documentation from the employees' personnel files, such as new-hire documentation and leave statements; and compared the employees' salaries to the conference's pay schedules to verify the employees were paid the correct wages.

To determine whether separated employees were paid the correct wages, we obtained a population of 359 employees who received a paycheck between July 1, 2021, and May 31, 2024, but were no longer employed by the conference as of May 31, 2024. From this population, we selected a nonstatistical, random sample of 59 employees and analyzed the employees' final salary paycheck, reviewed information within the termination packet, and compared the employees' salaries to the conference's pay schedules to verify that the employees were paid the correct wages. Additionally, we analyzed the payroll data for each of the 359 employees to identify any payments made after the employees' termination date. Based on this analysis, we selected 1 additional employee to review the payroll transactions to ensure these payments were for justifiable reasons.<sup>54</sup>

To assess implementation and operating effectiveness of internal controls, we selected a nonstatistical, random sample of 8 months between July 2021 and May 2024 to determine whether the HR Analyst ensured the payroll exceptions and adjustments on the payroll spreadsheet were accurately entered in the employees' Edison timesheets.

---

### Information Technology Service Requests

---

**Audit Objective:** Did the Office of the Executive Director management develop and implement a process to assign, manage, and efficiently resolve Information Technology (IT) service requests on behalf of the Office of the Executive Director and district attorneys general office employees?

---

54. Based on our analysis, the reasons for any payments made after an employee's termination date were due to retired employees returning for part-time work or employees transferring to other state agencies.

## Appendix 1 (Continued)

**Conclusion:** Based on our analysis of IT service requests, we found that the Office of the Executive Director's management developed and implemented a process to assign, manage, and efficiently resolve IT service requests on behalf of the Office of the Executive Director and district attorneys general office employees.

### *Methodology to Address the Audit Objective*

To address our audit objective, including gaining an understanding and assessing the Office of the Executive Director's management's design of internal controls relevant to our audit objective, we interviewed the Information Systems Director and Information Systems Manager, reviewed the Office of the Executive Director's IS Help Desk Etiquette guidelines and IS Agency Information Technology Standards, and observed operational processes. To determine whether the Office of the Executive Director's management developed and implemented a process to assign, manage, and efficiently resolve IT service requests on behalf of employees, we obtained data for 11,193 service requests submitted to the ManageEngine (Help Desk) from March 1, 2021, through July 31, 2024. Our Data Analytics team analyzed the 11,193 IT service requests to determine the length of time required to respond to and resolve the requests. For any service requests that took longer than 7 days to respond and longer than 30 days to resolve, we inquired with the Office of the Executive Director's management to obtain the nature of the requests to determine if the response and resolution times were justified.

## Prior Audit Finding

---

**Audit Objective:** In response to the prior audit's limited official use finding, did the Office of the Executive Director's management take steps to provide adequate internal control in one specific area?

**Conclusion:** Based on our inquiries with the Office of the Executive Director's staff, observation of processes, and inspection of relevant evidence, we found that the Office of the Executive Director's management has resolved the prior audit finding. Our work in this area is considered confidential or for limited official use according to Section 10-7-504(i), *Tennessee Code Annotated*. Therefore, we will not describe specific details in this report.

### *Methodology to Address the Audit Objective*

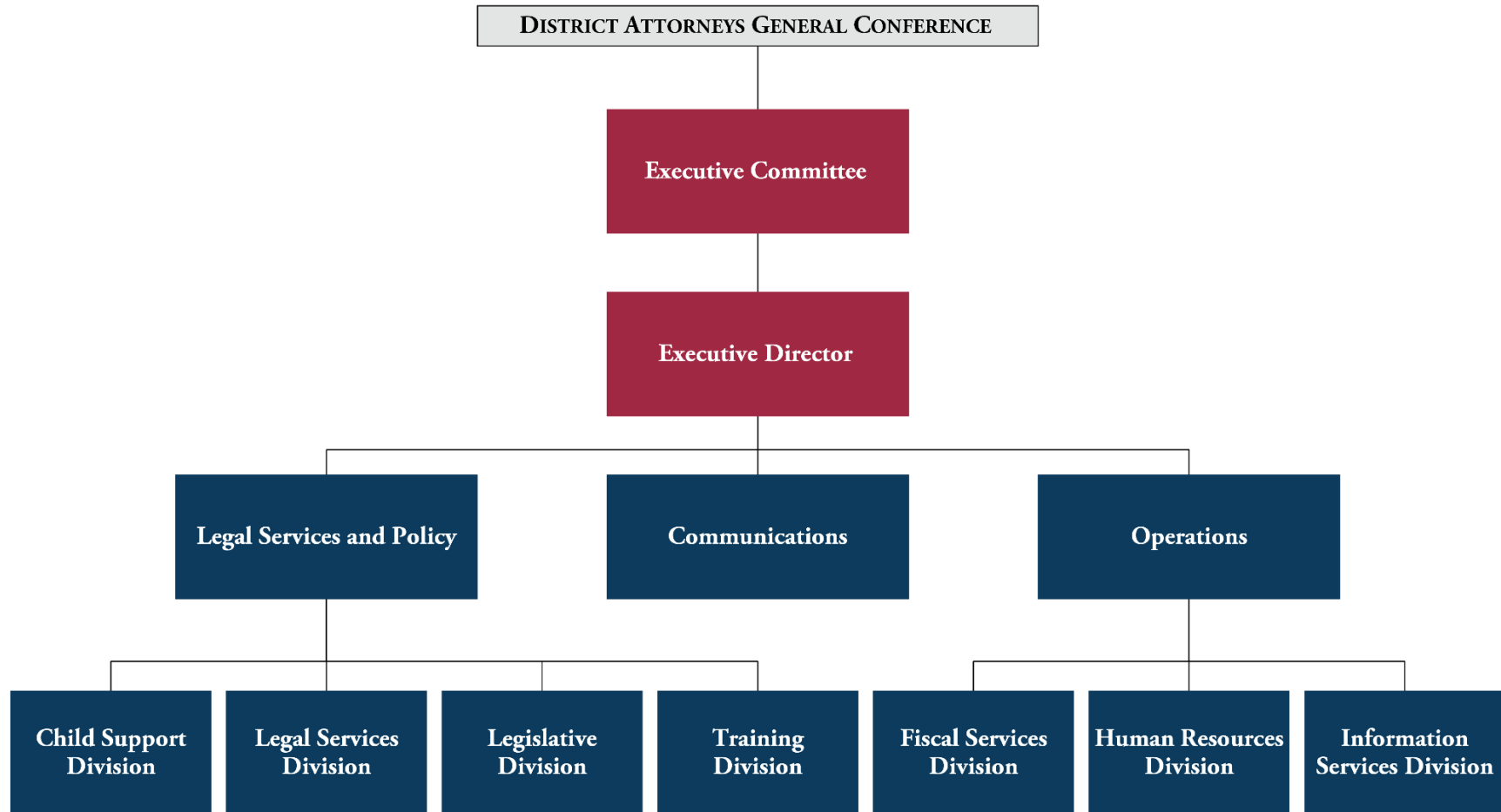
To address our audit objective, we interviewed key members of the Information Services Division, including the Information Systems Director, the Information Systems Manager over ManageEngine (Help Desk), the Training Administrator, the Information Systems Manager over the Applications Team, and a Systems Administrator. To understand the design of internal controls, we reviewed relevant policies and procedures, including the state's *Enterprise Information Security Policy*, and observed operational processes during walkthroughs with members of the Office of the Executive Director's management. To assess the effectiveness of the Office of the Executive Director's management's corrective actions, we collected evidence of the internal control's operation and

## **Appendix 1 (Continued)**

evaluated this evidence to determine if management had addressed the prior audit finding. We obtained a population of 262 instances of the control operations that occurred from January 1, 2022, to May 10, 2024. We selected a nonstatistical, random sample of 25 instances to determine if the Office of the Executive Director's management complied with the state's security policy requirements.

## Appendix 2: District Attorneys General Conference Organizational Chart and Structure

### District Attorneys General Conference Organizational Chart



Source: Office of the Executive Director's management.

## Appendix 2 (Continued)

### District Attorneys General Conference Structure

Section 8-7-301, *Tennessee Code Annotated*, establishes the Tennessee District Attorneys General Conference (the conference). Membership consists of all district attorneys general of the 32 judicial districts. The conference has an Executive Committee comprising 10 annually elected members to handle its daily affairs.

The Executive Director, elected by the conference, oversees the centralized administrative support services provided for the conference.

The Office of the Executive Director is divided into three administrative areas: Communications, Legal Services and Policy, and Operations, and it encompasses seven separate divisions.

#### Communications

The Executive Director oversees the Communications Office. The office oversees all external and internal communications for the conference, including developing various informational reports for the General Assembly. This office also aids the conference in other tasks, such as recruitment activities and research development.

#### Legal Services and Policy

The Deputy Executive Director of Legal Services and Policy oversees the following divisions.

##### *Child Support Division*

The conference contracts with the Department of Human Services to provide child support services in 21 of the 32 judicial districts. The Child Support Division provides oversight and technical assistance on cases managed by the child support specialists within the district offices, including ensuring compliance with parameters within the Department of Human Services contract.

##### *Legal Services Division*

The Legal Services Division provides legal assistance through research and advisory services for the district attorneys general. This division also provides support for the victim services staff, located within the 32 judicial districts, who help victims and witnesses of crime navigate the judicial system.

##### *Legislative Division*

The Legislative Division is responsible for monitoring new and amended legislation applicable to the conference, preparing bill proposals for upcoming legislative sessions, maintaining records of public chapters, helping develop educational training material on recent legislation, and overseeing the conference's policy changes.

##### *Training Division*

The Training Division coordinates and provides training for district attorneys general, assistant district attorneys, and law enforcement officers throughout the state. This training includes legal educational



## Appendix 2 (Continued)

training at the conference's annual training event, new district attorney training, child advocacy courses, and traffic safety resource training for prosecutors.

### Operations

The Deputy Executive Director of Operations oversees the following divisions.

#### *Fiscal Services Division*

The Fiscal Services Division provides fiscal management services for the conference, including processing and recording financial transactions in the following areas: accounts receivable, accounts payable, travel, asset management, payroll, account reconciliations, and financial reporting. This division also prepares and monitors the conference's annual budget, provides fiscal support for the district offices, and ensures compliance with applicable financial laws and regulations.

#### *Human Resources Division*

The Human Resources Division oversees a variety of employee relations activities, including hiring, onboarding, compensation, and benefits for all conference employees. The division also helps develop employment informational reports, maintains employee records and sensitive data, and ensures compliance with state and federal employment regulations.

#### *Information Services Division*

The Information Services Division provides extensive technology services for the Office of the Executive Director and the district attorneys general offices, to ensure reliable access to the technological resources necessary for daily operations. This division maintains the conference's technology systems and infrastructure, oversees the implementation of data security measures, and provides technical support services to staff.

### Appendix 3: Financial Information (Unaudited)

**Figure 6: Fiscal Year 2017 Actual Expenditures and Revenues**

District Attorneys General Conference		FY 2017 Actual Expenditures and Revenues*
<b>Expenditures</b>	Payroll	\$107,751,500
	Operational	12,535,300
	<b>Total</b>	\$120,286,800
<b>Revenues</b>	State	\$85,721,800
	Federal	0
	Other	34,565,000
	<b>Total</b>	\$120,286,800

\* Source: Tennessee State Budget, Fiscal Year 2018–2019.

**Figure 7: Fiscal Year 2018 Actual Expenditures and Revenues**

District Attorneys General Conference		FY 2018 Actual Expenditures and Revenues*
<b>Expenditures</b>	Payroll	\$114,630,600
	Operational	12,197,700
	<b>Total</b>	\$126,828,300
<b>Revenues</b>	State	\$90,566,800
	Federal	0
	Other	36,261,500
	<b>Total</b>	\$126,828,300

\* Source: Tennessee State Budget, Fiscal Year 2019–2020.

**Figure 8: Fiscal Year 2019 Actual Expenditures and Revenues**

District Attorneys General Conference		FY 2019 Actual Expenditures and Revenues*
<b>Expenditures</b>	Payroll	\$118,684,000
	Operational	13,322,600
	<b>Total</b>	\$132,006,600
<b>Revenues</b>	State	\$94,510,300
	Federal	0
	Other	37,496,300
	<b>Total</b>	\$132,006,600

\* Source: Tennessee State Budget, Fiscal Year 2020–2021.

**Appendix 3 (Continued)**

**Figure 9: Fiscal Year 2020 Actual Expenditures and Revenues**

<b>District Attorneys General Conference</b>		<b>FY 2020 Actual Expenditures and Revenues*</b>
<b>Expenditures</b>	Payroll	\$123,489,000
	Operational	14,707,600
	<b>Total</b>	\$138,196,600
<b>Revenues</b>	State	\$98,763,900
	Federal	880,100
	Other	38,552,600
	<b>Total</b>	\$138,196,600

\* Source: Tennessee State Budget, Fiscal Year 2021–2022.

**Figure 10: Fiscal Year 2021 Actual Expenditures and Revenues**

<b>District Attorneys General Conference</b>		<b>FY 2021 Actual Expenditures and Revenues*</b>
<b>Expenditures</b>	Payroll	\$128,613,800
	Operational	13,367,100
	<b>Total</b>	\$141,980,900
<b>Revenues</b>	State	\$101,487,000
	Federal	100
	Other	40,493,800
	<b>Total</b>	\$141,980,900

\* Source: Tennessee State Budget, Fiscal Year 2022–2023.

**Figure 11: Fiscal Year 2022 Actual Expenditures and Revenues**

<b>District Attorneys General Conference</b>		<b>FY 2022 Actual Expenditures and Revenues*</b>
<b>Expenditures</b>	Payroll	\$132,886,700
	Operational	14,777,200
	<b>Total</b>	\$147,663,900
<b>Revenues</b>	State	\$105,597,500
	Federal	0
	Other	42,066,400
	<b>Total</b>	\$147,663,900

\* Source: Tennessee State Budget, Fiscal Year 2023–2024.

**Appendix 3 (Continued)**

**Figure 12: Fiscal Year 2023 Actual Expenditures and Revenues**

<b>District Attorneys General Conference</b>		<b>FY 2023 Actual Expenditures and Revenues*</b>
<b>Expenditures</b>	Payroll	\$144,024,100
	Operational	21,610,300
	<b>Total</b>	<b>\$165,634,400</b>
<b>Revenues</b>	State	\$124,019,500
	Federal	800
	Other	41,614,100
	<b>Total</b>	<b>\$165,634,400</b>

\* Source: Tennessee State Budget, Fiscal Year 2024–2025.

**Figure 13: Fiscal Year 2024 Budget Expenditures and Revenues**

<b>District Attorneys General Conference</b>		<b>FY 2024 Recommended Budget*</b>
<b>Expenditures</b>	Payroll	\$156,462,600
	Operational	18,646,200
	<b>Total</b>	<b>\$175,108,800</b>
<b>Revenues</b>	State	\$129,400,700
	Federal	47,300
	Other	45,660,800
	<b>Total</b>	<b>\$175,108,800</b>

\* Source: Tennessee State Budget, Fiscal Year 2023–2024.