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HAMILTON COUNTY, TENNESSEE

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To: Weston Wamp, County Mayor
Hamilton County Commissioners
Audit Committee

From: Chris McCollough, County Auditor

Date: April 1, 2026

Subject: Audit of Hamilton County's Cash Receipts

We performed an audit of Hamilton County's cash receipts for the period July 1, 2024 through June 30, 2025. Our audit focused on testing samples of entries from the county's CentralSquare accounting system to ensure agreement, authorization, and compliance. The following represents a summary of our audit procedures performed and conclusions reached.

BACKGROUND

The county currently utilizes CentralSquare accounting software for posting all financial activity. Each county department that receives funds is responsible for delivering the deposit to the bank. The department will subsequently forward the deposit slip along with supporting documentation to accounting for recording to the proper account code in CentralSquare. At the beginning of each month, the Trustee reconciles its bank accounts to ensure all deposits are accounted for. It is the responsibility of each department to access CentralSquare to confirm their accounting records have been posted properly and to communicate any needed adjustments or corrections.

The Trustee's office receipts funds submitted to the county via ACH electronic deposits. These deposits get assigned to the proper department and appear on the daily receipts reports for notification to each area.

Our test work did not incorporate any fee office transactions processed through their respective officer's fee accounts. (Those offices are audited separately by internal audit at the end of each fiscal year and include Circuit Court Clerk, Clerk & Master, County Clerk, Juvenile Court Clerk, Register, and Sheriff.)

AUDIT PROCEDURES/OBJECTIVES

Our audit procedures covered the period of July 1, 2024 through June 30, 2025 and included the following:

- To ensure cash receipts are posted to the general ledger on a timely basis
- To verify that all cash receipts are properly supported and correctly classified
- To confirm that receipts are accurately deposited, and were done so within three business days in compliance with state law TCA 5-8-207; and
- To recalculate the Trustee's commission and determine correct percentages were used

AUDITORS' OPINION & FINDINGS

In our opinion:

- the county's cash receipting process appears to be accomplishing its objective of establishing an internal control system over cash receipts so that Hamilton County's resources are properly collected, safeguarded, and accounted for.

However, our examination noted one violation and other controls that need improvement in the county's cash receipting process. This exception and our recommendation are as follows:

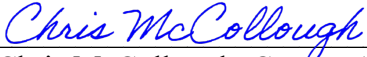
Timely Posting

Observation – During our audit, we found that a building inspection deposit had not been posted for more than ninety (90) days. After speaking with both the Trustee's office and accounting, it appears the item was on the outstanding list sent to accounting beginning in June until it was finally posted in September.

Recommendation – We recommend that accounting review all outstanding items with the Trustee's office on a monthly basis. Cash receipt postings should not be outstanding for several months.

Management Response – We will collaborate with the Trustee's office to strengthen our processes for reviewing outstanding items and ensuring they are posted in a timely manner.

We appreciate the assistance of the Trustee's staff and the accounting department during our audit. If you have any questions regarding this report, please call Austin Durall, Audit Manager, at 209-6211, or me at 209-6212.


Chris McCollough, County Auditor

Staff Assigned to Audit
Austin Durall, Audit Manager
Roger Kincer, Senior Auditor