



COMPTROLLER'S INVESTIGATIVE REPORT

Carter County School Department

May 31, 2023

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF INVESTIGATIONS



JASON E. MUMPOWER
Comptroller

May 31, 2023

Carter County Board of Education
305 Academy Street
Elizabethton, TN 37643

Carter County Board of Education Officials:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Carter County School Department, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Lee, the State Attorney General, the District Attorney General of the 4th Judicial District, certain state legislators, and various other interested parties. A copy of the report is available for public inspection in our Office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason E. Mumpower", with a long horizontal flourish extending to the right.

Jason E. Mumpower
Comptroller of the Treasury

JEM/MLC

INVESTIGATIVE REPORT

Carter County School Department

The Office of the Comptroller of the Treasury investigated allegations of irregularities related to the Carter County School Department. This investigation was limited to selected records for the period January 2022, through June 2022. The results of the investigation were communicated with the Office of the District Attorney General of the 1st Judicial District.

BACKGROUND



The Carter County School Department (school department) provides education services for children in Carter County. The school department is governed by an eight-member board of education, which is responsible for developing policy, educational planning, adopting a budget, community engagement, and appointing a director of schools. The director of schools is responsible for overseeing the administration of 15 schools that educate over 4,000 students. The school department utilizes a bus garage (garage) to serve all students.

The director of schools employs a transportation supervisor that is responsible for the garages' day-to-day operations. A garage employee daily updates a whiteboard with all bus route numbers and their respective driver assignments, and a secretary transcribes this information into a notebook for recordkeeping. The school department requires each driver to complete a pre and post trip inspection form before and after each bus route. Each garage employee completes a monthly timesheet, and supervisors review and approve employee timesheets, which are provided to the school department for payment.

INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES

Our investigation revealed deficiencies in internal control and compliance related to school department time records, attendance records, and inspection logs. These deficiencies included:

Deficiency 1: Time and attendance records were not maintained properly

For the period reviewed, school department management did not ensure garage employees' timesheets accurately reflected time worked. According to *Carter County Board of Education Policy 5.602*, each employee should keep a time record of actual hours worked. Investigators noted several instances where a bus driver's timesheet reflected hours worked, but daily bus route documentation reflected that the driver did not work those hours. These instances may have been caused by employee error when preparing both timesheets and daily bus route assignment documentation; therefore, investigators could not determine the accuracy of leave balances and work hours paid to garage employees. The failure to maintain accurate documentation of time earned and leave taken weakens internal controls over payroll and increases the risks of improper payments and delayed detection of errors or misappropriations.

Deficiency 2: Inspection logs were not properly completed

For the period reviewed, the transportation supervisor did not ensure that garage bus drivers properly completed the pre and post trip inspection logs before and after a bus route. Pursuant to Tenn. Code Ann. § 49-6-2109(b)(6), the owner of any bus shall maintain records of all maintenance actions and safety inspections performed on a bus from its in-service date and these records shall be available at all times to the commissioner of safety. Additionally, *Carter County Board of Education Policy 3.400* provides that the transportation supervisor is responsible for the collection and maintenance of bus inspection forms. Inspection forms include the identity of the bus and bus driver, as well as checkboxes for various required safety and maintenance items. Each inspection log requires a bus driver's signature verification. Investigators noted numerous errors on inspection logs, including multiple bus drivers being listed for one bus route or no bus driver being listed. The failure to maintain accurate inspection logs increases the risks that buses will not be properly maintained and safely operated in accordance with state regulations and board policies, which increases the county's risk of legal liabilities.

School department officials indicated that they have corrected or intend to correct these deficiencies.
