



STATE OF TENNESSEE  
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DIVISION OF INVESTIGATIONS  
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Justin P. Wilson  
Comptroller of the Treasury

July 9, 2013

Sheriff Michael K. Hensley  
Unicoi County Sheriff's Department  
102 North Main Avenue  
Erwin, Tennessee 37650

Dear Sheriff Hensley:

Our office received an allegation that a retired state employee was receiving retirement benefits from the state's Tennessee Consolidated Retirement System (TCRS) and working an excessive number of hours as a part-time administrative assistant for the Unicoi County Sheriff's Department in violation of TCRS guidelines.

Our investigation revealed the following deficiencies:

- The part-time employee was paid \$4,845.75 for 146 hours of unearned sick leave time while out of work due to a medical condition.
- Deficiencies were noted in the maintenance of time sheets.

We reviewed these findings and recommendations with the Unicoi County Sheriff, and his responses to the findings and recommendations are included or paraphrased in this report. We have also reviewed this report with the district attorney general.

### **INVESTIGATIVE FINDING**

1. **FINDING:** A part-time employee was paid \$4,845.75 for sick leave

A retired state employee was a part-time employee of the Sheriff's Department. As a part-time employee this employee was not entitled to benefits such as sick leave that a

full-time employee would receive as provided by the department's personnel policy. This employee was paid a total of \$4,845.75 for 146 hours as if he were on sick leave due to a medical condition from July 28, 2012, through September 21, 2012. Timesheets were not maintained by the department to support any time worked or leave taken by the employee during this period.

**RECOMMENDATION:**

The county should seek reimbursement for the \$4,845.75 paid to the part-time employee for the period noted.

**MANAGEMENT'S RESPONSE (May 15, 2013):**

**Sheriff's Response:**

The administrative assistant has agreed to reimburse the county the sum of \$4,845.75. This reimbursement will reflect that he worked less than 120 days as required by TCRS. Also be advised that the sheriff's office will consult with TCRS on the issue. The administrative assistant was hospitalized in the summer of 2012. Since he was not a full-time employee, he is not entitled to sick leave during this period of his hospitalization. Time sheets on file do not reflect him working during the period from July 28, 2012, through September 21, 2012. The administrative assistant did work part time during this period but since the timesheets do not reflect any hours worked during this period, he has agreed to reimburse the county \$4,845.75. He will make arrangements with the county mayor's office to make periodic payments in repayment.

**MANAGEMENT'S RESPONSE (May 29, 2013):**

**Sheriff's Response:**

Please be advised that we have reviewed invoices that were approved by the administrative assistant with his initials and the date written on them. Invoices signed on 12 different days are on file in the county mayor's office and this will show that he did work on those days.

**AUDITOR'S COMMENTS:**

If the administrative assistant worked during this period, there were no timesheets on file to reflect any hours worked. The existence of invoices signed by the administrative assistant is not sufficient documentation to support the amount of time worked by the employee during the day.

**INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES  
FINDINGS AND RECOMMENDATIONS**

1. **FINDING:** Deficiencies were noted in the maintenance of time sheets

The following deficiencies were noted in the maintenance of time sheets:

- A. In some instances, time sheets for the part-time employee were not on file. Sound business practices dictate that time sheets should be maintained to support all time worked. The failure to maintain adequate documentation of time worked weakens internal controls over the payroll process and increases the risks of improper payments.
- B. Supervisors at the sheriff's department had not signed the part-time employee's time sheets that were on file as evidence of review and approval. Sound business practices dictate that payroll time sheets should be properly reviewed and approved. This deficiency is due to a lack of management oversight. If supervisors do not review and approve time sheets, risks increase that improper payments could result.
- C. Time sheets did not always accurately reflect time worked. Due to clerical errors, several time sheets listed more or fewer hours worked than the actual hours for which the part-time employee was actually compensated.

**RECOMMENDATION:**

Time sheets should be maintained for all employees. Supervisors should sign the employees' time sheets as evidence of review and approval. All time sheets should accurately reflect the actual time worked.

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**MANAGEMENT'S RESPONSE:**

**Sheriff's Response:**

The sheriff's department has instituted new policies relative to review and approval of the Administrative Assistant to the sheriff. Sheriff Hensley will be responsible for future review and approval of all time sheets of his administrative assistant.

If you have any questions concerning the above, please contact me.

Sincerely,



Kevin B. Huffman, CPA, CFE, CGFM  
Investigative Audit Manager  
Division of Investigations  
Financial and Compliance Unit

KBH/RAD

xc: Greg Lynch, County Mayor