



State of Tennessee

Justin P. Wilson, State Comptroller

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Audit Finds That Ripley Gas & Water Superintendent Received More Than \$20,000 in Unearned and Improperly Accrued Annual Leave

An investigative audit conducted by the Comptroller's Division of Municipal Audit found that William Maxwell, Ripley Gas & Water's superintendent, accrued and used more than 681 hours of unearned annual leave worth approximately \$22,000.

The audit report, which was released today, details how lax oversight and insufficient documentation led to the unauthorized disbursement of tens of thousands in government funds.

In his response to the audit finding regarding his annual leave, Maxwell asserts that he earned a portion of his excess annual leave by working additional hours, but city records indicated that Maxwell only worked 40-hour work weeks.

Maxwell was originally hired by the city in May 1992. He was terminated in September 2001, but then rehired in January 2006.

Auditors also found that 342 hours of sick leave were added to Maxwell's account when he was rehired and that the city is paying 100 percent of his medical insurance benefits despite a city policy approved in April 2005 that limits the city's contribution to 60 percent of the total premiums.

The audit also cites the city for failing to bid out more than \$100,000 of work between two sewer projects despite state laws that require bids for purchases or contracts that exceed \$10,000. Additionally, the audit held Maxwell responsible for allowing the city to be overbilled on contracts he neglected to adequately supervise and oversee. The report attributes the superintendent's shortcomings to a gross lack of documentation and the absence of adequate oversight procedures.

Auditors also found that the utility's governing body failed to properly approve and document a \$1,300 adjustment to the water and sewer account of a business property owned by a former elected official in 2009. Also, according to the report, the utility's accounting department frequently failed to properly monitor and safeguard public funds.

To view the report online, go to: http://www.comptroller1.state.tn.us/RA_MA/

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