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September 26, 2017

Members of the Board of Mayor and Commissioners
City of Dickson
600 East Walnut Street
Dickson, TN 37055

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury performed an investigation of selected records of the Dickson Senior Center (senior center), a program of the City of Dickson. The Comptroller's Office initiated the investigation after City of Dickson officials reported the discovery of a previously unknown bank account related to the senior center. Our investigation revealed several financial process deficiencies including:

- **Former Dickson Senior Center Director operated an unofficial bank account**

The former senior center director operated an unofficial bank account opened in the name of the senior center from January 1987 until her retirement in December 2016. This bank account was never included in the city's financial statements or audit reports, was never considered in the city's budgeting process, and was never subject to city financial oversight. Upon discovery, senior center officials closed the account in February 2017.

The former director advised Comptroller investigators that she made a previous mayor aware of the bank account. She indicated she originally used the account to collect funds for coffee and refreshments for the seniors. From January 2011 through December 2016, this account had deposits totaling approximately \$97,997 and expenditures totaling approximately \$98,114. Investigators determined that the former director primarily used the account for the senior center's annual pecan sale and various other senior center activities. Although there was no indication that funds from this account were used for anything other than senior center activities, all senior center financial transactions and funds should be directed through the city's authorized bank accounts.

- **Senior center officials failed to maintain adequate documentation for collections**

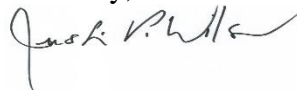
The senior center did not prepare and maintain signed recorded counts, prenumbered receipts, collection reports or other adequate documentation for certain collections, including dance concessions and vending machine sales. Investigators were not able to determine that all funds collected had been properly accounted for.

- **Senior center officials used cash collections to make purchases**

Senior center officials improperly used cash collections to make purchases, including paying for bands at weekly senior dances and paying for field trips. Section 6-56-111, *Tennessee Code Annotated*, requires that officials deposit collections into an official bank account within three working days of receipt and that all municipal disbursements be made by prenumbered check or electronic transfer. Promptly depositing cash collections and making disbursements by prenumbered checks increases accountability over city funds.

City officials have indicated they have corrected or intend to correct these deficiencies.

Sincerely,



Comptroller of the Treasury

JPW/RAD