



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF INVESTIGATIONS

Justin P. Wilson
Comptroller of the Treasury

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April 11, 2013

Honorable Mayor and Members of the
Board of Aldermen
Town of Newbern
103 Jefferson Street
Newbern, TN 38059

Gentlemen:

The Comptroller's Division of Investigations conducted an investigative audit of selected records and operations of the Town of Newbern. The investigation focused on the period July 1, 2010, through September 30, 2012; however, when warranted, this scope was expanded. The investigative audit revealed the following:

- Town officials failed to document board authorization, including an approved resolution or ordinance, and failed to obtain bids for the lease-purchase of police vehicles as required by state law and city purchasing policies.
- City officials did not execute written contracts for the rental of city facilities and did not ensure that rental fees of at least \$950 were billed and collected.
- The mayor and members of the board of aldermen failed to adopt purchasing procedures for credit card use as required by the *Internal Control and Compliance Manual for Tennessee Municipalities*.

Management should take immediate steps to correct these deficiencies. If you have any questions concerning the above, please contact me.

Sincerely,

L. Rene Brison, CPA, CFE, Assistant Director
Division of Investigations

LRB/RAD