



SCOTT COUNTY AIRPORT

Comptroller's Investigative Report November 8, 2018

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

November 8, 2018

Board of Directors
Scott County Airport
and
County Mayor and Members of the
County Commission
Scott County, Tennessee

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of selected records of the Scott County Airport, and the results are presented herein. These results were referred to the District Attorney General of the Eighth Judicial District.

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

Sincerely,

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

SCOTT COUNTY AIRPORT

BACKGROUND



The Scott County Airport (airport) is located in Oneida, Tennessee. The Scott County Commission established the Scott County Airport Authority (board) and appointed 10 members – seven members from each of the seven districts in Scott County and three at-large

members. The Scott County Finance Department is responsible for the accounting at the airport, and the board is responsible for management oversight of the airport. The board makes employment recommendations to the Scott County Commission, and the commission makes the final hiring/firing decisions for the airport. Scott County Airport currently employs one full-time manager, one full-time general employee, and one part-time general employee. The airport manager reports to the board and is responsible for the day-to-day operations of the airport.

The commission hired the airport manager as a full-time salaried employee in 2007. In October 2016, the Scott County Finance Department required all salaried employees under a certain salary threshold to become hourly employees. Since the airport manager's salary fell under this threshold, he was required to begin clocking in and clocking out to report time worked as an hourly employee. At the end of 2017, the board voted to change the airport manager's status from hourly back to salaried effective December 2017. Therefore, the airport manager was an hourly employee from October 26, 2016, through December 19, 2017.

We have reviewed the finding and recommendation noted below with the district attorney general for the Eighth Judicial District of Tennessee.

INVESTIGATIVE FINDING AND RECOMMENDATION

FINDING 1: The airport had deficiencies in time reporting

Our review of records at the Scott County Airport revealed deficiencies in time reporting for the airport manager as noted below:

- A. The current full-time status of the airport manager is questionable. Because the airport manager did not consistently clock in and clock out as an hourly employee from October 26, 2016, through December 19, 2017, we could not determine the actual hours worked by the airport manager. After the airport manager reverted to a salaried employee status, we also could not determine the actual hours worked by the airport manager since he did not record his hours worked. A review of airport operational hours, employee work schedules, and interviews with airport staff and the board chairman indicate the airport manager works a minimum of 27.5 hours per week. According to the Scott County Finance Director and the county's personnel policy, employees are required to work 40 hours per week to be considered full-time status. The airport manager advised us that he was consistently at the airport on Mondays, Tuesdays, and Wednesdays and comes and goes on Thursdays, Fridays, Saturdays, and Sundays. Therefore, we could not determine if the airport manager worked the required 40 hours per week to qualify as a full-time employee as required by Scott County's personnel policy.
- B. We noted an instance during the period when the airport manager was an hourly employee that he reported time worked when he was not at the airport. On Thursday, August 31, 2017, Comptroller auditors went to the airport to speak with the manager, but the manager was not at the airport. After a review of records, auditors determined the manager logged onto the timekeeping system on Monday, September 4, 2017, at 2:16 p.m. and clocked himself in for a prior day (August 31, 2017) at 7:30 a.m. and clocked himself out at 6:00 p.m. As noted above, this was the day the auditors visited the airport and determined the manager was not at the airport.
- C. We noted the airport manager did not take annual or sick leave for the entire period reviewed. We confirmed with the Scott County Finance Director that the finance department does not maintain any type of leave balances for the airport manager. The finance director asserted the responsibility of maintaining leave balances lies with the airport board. We were advised by the board chairman that the board does not maintain any type of leave balances for the airport manager. The board chairman stated the responsibility of maintaining leave balances lies with the Scott County Finance Department. As a result, no one is tracking leave balances for the airport manager.

RECOMMENDATION:

The Scott County Airport Authority should provide appropriate management oversight of the airport manager and ensure the manager is working the required 40 hours per week to qualify as a full-time employee in compliance with the county's personnel policy. Good internal control requires salaried employees to record each workday noting hours worked, hours of sick leave taken, and hours of annual leave used. The timekeeping system should only allow hourly employees the ability to log in or log out of the system on a real time basis. The Scott County Finance Department and the airport board should determine a method of tracking leave balances of airport employees.

INTERNAL CONTROL DEFICIENCY

FINDING 2: Airport officials did not reconcile the airpark payment with the airpark agreements

Big South Fork Airpark (airpark) is a residential community development with direct access to the Scott County Airport. Currently, the airpark pays one-time fees and annual access fees based on hanger lot size and type. Revenue received from the airpark is presented once a year at a monthly airport board meeting in the form of a single check, which is subsequently deposited with the Scott County Trustee's Office. The board does not reconcile the annual collection with airpark agreements on file or other supporting documentation to determine if all access fees due to the airport are properly collected.

RECOMMENDATION:

The airport manager should present the board a dollar breakdown of the annual airpark check and ensure the breakdown reconciles with the airpark agreements.