



Haywood County Audit Committee

May 6, 2026 - 3:00 – 4:30PM
Historic Courthouse Courtroom

Committee Members

Sharon Hayes (Chair) • Rhonda Thompson (Vice Chair)
Richard Jameson (Commissioner) • Charlie Tripp (Businessman)

County Departments

David Livingston (Mayor) • John Purifoy (Budget Director) • Mary Bond Lonon (Circuit Court Clerk)
Felicia Bond & Roxana Rodriguez (Clerk & Master / Chancery Court)

County Officials and Members of the Public

Jim Duke (Commissioner) • Greg Vanstory (School Board) • Teri Robinson (STEMC Board)

Comptroller's Office – Local Government Audit – West Tennessee

Lauren Lewis • Greg Howell • Savannah Massey

Resolution: The Audit Committee was established by resolution adopted by the County Commission on March 17, 2014, “to provide independent review and oversight of the county’s financial reporting processes and internal controls, a review of the external auditor’s report and follow up on management’s corrective action, and compliance with laws, regulations, and ethics.”

Minutes May 6, 2026 and Report to County Commission May 18, 2026

I. Call to Order, Determination of Quorum, Welcome & Introductions

Commissioner Hayes called the meeting to order, declared a quorum, and welcomed committee members, the audit team, county officials, and guests listed above.

II. Approval of Minutes – Previous Meeting

The Audit Committee minutes for March 18, 2025 were approved as presented upon motion.

III. Public Comments – None

IV. Summary - Audit for the Fiscal Year Ended June 30, 2025 – County Budget Director John Purify distributed a financial summary, reviewed ending fund balances in the major county funds, and highlighted key takeaways including the unqualified audit opinion.

V. Audit Findings for the Fiscal Year Ended June 30, 2025 – Six Findings – *linked* <https://comptroller.tn.gov/content/dam/cot/la/advanced-search/2025/county/FY25HaywoodHotSheet.pdf> Auditor Manager Lauren Lewis led the discussion and review of each of the six findings.

Finding 1 - OFFICE OF COUNTY MAYOR - General ledger payroll deduction accounts were not reconciled with payroll reports and payments

Follow-up Action – This is a repeat finding from multiple years. The audit team noted progress this year since John Purifoy was hired as Budget Director. He reported that he has the current reconciliations in balance and, as time permits, he is reviewing prior years to identify and correct accumulated errors. He stated that he expects the majority of errors resolved in the coming weeks. The audit team indicated journal adjustments would likely address any remaining immaterial amounts.

Mayor Livingston noted concerns regarding the multitude of payroll deductions. The Audit Committee recommended that the Human Resources Committee meet to establish a policy regarding allowable employee deductions and update the Employee Handbook accordingly.

Finding 2 - OFFICE OF COUNTY MAYOR – The County was Assessed Interest and Penalties Totaling \$16,400 by the Internal Revenue Service

Follow-up Action – This Audit Committee stressed the importance of crosschecks to ensure payments of employment taxes are submitted by required deadlines in order to avoid future penalties. The Budget Director stated that additional internal controls have been put in place to prevent recurrence.

Finding 3 - OFFICE OF COUNTY MAYOR – An Interfund Loan Was Not Issued in Compliance with State Statutes

Follow-up Action – The County did not obtain the required approval from the Comptroller's Office for an interfund loan from the General Fund to the Solid Waste Fund. The Budget Director stated that he understands that such debt transactions require prior approval and will ensure future requests are submitted to the Comptroller in advance.

Finding 4 - OFFICE OF COUNTY MAYOR – The Office Had Purchasing Deficiencies

Follow-up Action – The County was cited for significant purchasing deficiencies related to instances of failing to properly issue purchase orders, failing to verify receipt of goods or services, and failing to obtain required bids for the purchase of a used dump truck.

Mayor Livingston attributed the deficiencies to weak internal control systems that developed over several years and stated that the future county mayor should address the issues and consider a centralized purchasing structure for county government.

The audit team recommended increased communication with regular vendors regarding purchase order requirements and also recommended that the Budget Director work closely with departments where deficiencies occur more frequently.

Finding 5 - HIGHWAY DEPARTMENT - Competitive bids were not solicited for the purchase of a truck

Follow-up Action – Failure to obtain competitive bids on an equipment purchase is a repeat finding. Highway Department administrators were not present for the audit meeting. Budget Director Purifoy stated representatives attended the Audit Exit Interview and indicated they understood the importance of complying with state purchasing statutes.

Finding 6 – OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS, CIRCUIT COURT CLERK, AND CLERK AND MASTER – The Offices had Deficiencies in Computer System Backup Procedures

Follow-up Action – Representatives for court offices were present and reported that they have implemented updated procedures for off-site backup storage of court records maintained on a shared server.

Mary Bond Lonon, Circuit Court Clerk, and Felicia Bond, Clerk and Master, presented the corrective measures their offices have implemented. Ms. Bond presented a detailed written report outlining the updated procedures and logging system now in place.

VI. Best Practices – The Audit recommended a centralized system of accounting, budgeting, and purchasing functions.

VII. Fiscal Year 2026 Audit Timeline – The current audit is expected to be completed in October 2026, with report release anticipated in December 2026.

VIII. Summary & Adjournment – Chair Hayes thanked the committee members, auditors, and county staff for their commitment to corrective actions and strengthening the financial processes for Haywood County government.