

CITY OF LAFOLLETTE, TENNESSEE  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2017

**2017 - 001 Timely Bank Deposits**

**Criteria or Specific Requirement** - Section 6-56-111 of the Tennessee Code Annotated (TCA) requires city governments to deposit public funds into the city's bank account within three business days of collection.

**Condition** – During our testing, we noted 8 deposits from the Police Department which were not made within three business days from the collection date during the fiscal year ended June 30, 2017.

**Cause and Effect** - The Police Department collects monies for fines, court fees, seizures, etc. and then places these monies in the safe before submitting to the city treasurer. Accordingly, certain deposits are not made timely and thus, the City is in violation of TCA 6-56-111 by not meeting the three day deposit rule.

**Recommendation** - We recommend that the City streamline procedures for Police Department collections in order to meet the State's three day deposit rule.

**Management's Response** – We agree with the finding and have now changed our collection procedures in order to meet the State's timely deposit requirements, effective February 2018.