



**TENNESSEE ALCOHOLIC BEVERAGE COMMISSION  
AUDIT COMMITTEE MEETING  
MINUTES  
TUESDAY, DECEMBER 18, 2018**

An audit committee meeting was held on December 18, 2018, following the regular commission meeting. Commissioner Skiles, Commissioner Jones, and Commissioner Roberts were present. In attendance on behalf of staff were the following: Interim Director Blair, Commission Counsel Stepp, Commission Counsel Hollingshead-Cook, Scott Wolfe, Kevin Griffin, Bond Tubbs, and Nancy Townsend.

I. REVIEW AND APPROVAL OF JULY 2018 AUDIT COMMITTEE MINUTES

Discussion/Action Taken: Commissioner Jones moved the minutes be accepted as presented. The motion was seconded and it passed with three ayes.

II. INTRODUCTION OF TABC INTERNAL AUDITOR

Discussion/Action Taken: Interim Director Blair introduced Scott Wolfe as the internal auditor. The Commission welcomed Mr. Wolfe.

III. BUDGET UPDATE

Discussion/Action Taken: Director Blair updated the commission on the budget status and touched on highlights from a budget print-out. Director Blair noted the scanning project is largely complete and noted the staff planned to reclassify one position to a full-time support position.

Director Blair noted the budget hearing had occurred on December 3<sup>rd</sup> and noted the staff requested no expansions or decreases in the budget.

IV. EVIDENCE INVENTORY UPDATE

a. Summary of recent evidence inventories

Discussion/Action Taken: Director Blair updated the committee on this item and noted nine various evidence audits had been conducted since the previous audit meeting. An annual inventory in Knoxville was completed by



Scott Wolfe. Director Blair spoke on a discrepancy discovered during the audit. The Memphis annual inventory was completed by Scott Wolfe and Mr. Blair spoke on a discrepancy found. A spot check inventory was completed in Knoxville, Chattanooga, and Memphis and no discrepancies were identified. An inventory spot was check was conducted in Nashville and one discrepancy was found. Chief Tubbs conducted an unannounced inventory in Chattanooga and one discrepancy was identified. Cash inventories were performed by Nancy Townsend and no discrepancies were found. A fourth quarter inventory of cash was conducted by Nancy Townsend and no discrepancies found.

b. Update on firearm disposition

Discussion/Action Taken: Director Blair updated the committee on this item and noted the following: 125 firearms authorized for sale or destruction and 98 firearms remaining in the Nashville evidence storage and Mr. Blair noted the staff will continue to review and seek orders and for the remainder of firearms with no case file will seek judicial order of destruction or sale. Mr. Blair noted there were 54 firearms in other evidence rooms and most of those are related to case files that are still pending. Mr. Blair noted the staff will begin to review the others once the Nashville firearms are disposed of.

V. RLPS IDENTIFIED RISKS:

a. Collection of fees for expired licenses that have been approved but not paid

Discussion/Action Taken: Director Blair updated the commission on this item and noted that a change in the system will include the collection of license fees on the front end for renewal applications.

b. Active licensees that have not yet renewed in RLPS

Discussion/Action Taken: Director Blair updated the committee on this item and spoke on processes that will be implemented to address this. Director Blair noted that the historical database will be reconciled to identify licenses that have renewed in RLPS. Licensees that renewed in the RLPS system will be placed in an inactive status. Director Blair noted the labor used in the scanning project will be utilized for this purpose.

The meeting adjourned. Commissioner Roberts moved to adjourn and the motion was seconded.



**APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE  
COMMISSION THIS THE 30th DAY OF JULY 2019.**

A handwritten signature in blue ink, appearing to read "Paul D. Kelly", written over a horizontal line.

Commissioner

A handwritten signature in blue ink, appearing to read "Ronald F. Johnson", written over a horizontal line.

Executive Director