



**Tuesday, February 6, 2024  
Regular City Council Meeting Minutes  
Oak Grove Council Chambers**

The Oak Grove City Council met on February 6, 2024, at 6:00 p.m. The meeting was held in the Oak Grove Council Chambers located at 8505 Pembroke Oak Grove Road Oak Grove, Kentucky. Present for the meeting were: Presiding Officer/Council Member Janet Edwards Council Member Jean Leavell, Council Member Richard Baker, Council Member Edward Cook, and Council Member John Campbell. Mayor Oliver and Council Member Isaiah Spencer were absent. Also present for the meeting were City Attorney Lee Wilson, Police Chief Dennis Cunningham, Public Works Director Brian Ahart, Finance Director Bobbie Crawford, and City Clerk Lorelynn Fisher. There were approximately 3 individuals present at the meeting.

Presiding Officer/Council Member Janet Edwards called the meeting to order at 6:00 p.m.

**OPENING CEREMONIES**

Pastor Dan Herbster led those present in the Invocation and Pledge of Allegiance.

**OPEN FORUM**

N/A

**ROLL CALL OF ATTENDANCE**

Presiding Officer/Council Member Janet Edwards Council Member Jean Leavell, Council Member Richard Baker, Council Member Edward Cook, and Council Member John Campbell were present. Mayor Oliver and Council Member Isaiah Spencer were absent. A quorum of the city council was present.

**REVIEW OF MINUTES**

Presiding Officer/Council Member Janet Edwards asked the city council to make a motion to approve the minutes from the regular city council meeting on January 2, 2024. Council Member John Campbell made a motion to approve the minutes. Council Member Jean Leavell seconded the motion. No discussion was held. A voice vote was taken with all members present in favor; the motion passed.

**APPROVAL OF MEETING AGENDA**

Council Member Jean Leavell made a motion to move Borland and Benefield to the first item of business. Council Member John Campbell seconded the motion. No discussion was held. A voice vote was taken with all members present in favor; the motion passed.

**CONSENT CALENDAR**

N/A

**NEW BUSINESS**

1. Boreland and Benefield-Audit presentation: Auditor Clif Daniel presented the audit findings for the year-end of June 30, 2022. In their opinion, based on their audit and the report of the other auditors, the financial

statements present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, and the discretely presented component unit, each major fund, and the aggregate remaining fund information of the city, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principals generally accepted in the USA. Mr. Daniel went over the Financial Highlights which were as follows: The city's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the June 30, 2022, fiscal year by \$7,955,282 (total net position). The city's total liabilities at the close do the fiscal year June 30, 2022, were \$13,618,832, a decrease of \$1,541,959 from the previous fiscal year. The city's total net position increased in fiscal year 2022 by \$611,910. At the close of the current fiscal year, the city's governmental funds reported ending fund balances of \$4,502,130. Of this amount, an amount of \$2,835,806 is available for spending at the government's discretion (unassigned fund balance). This is approximately 43% of total general fund expenditures for the fiscal year ended June 30, 2022. Mr. Daniel informed the city council of some findings and responses that included the following:

2022-1 Segregation of Duties and Oversight of Financial Reporting- Criteria: Management is responsible for the preparation and fair presentation of the city's financial statements. During their audit, they identified accounting functions being performed that lacked adequate segregation amongst the staff without proper mitigations or review. The city has a limited number of staff and significant turnover. The auditors recommend that the functions associated with the custody of assets be segregated from the functions associated with the accounting for and recording transactions to the extent possible through staff assignments and secondary approvals.

2022-2 Segregation of Duties and Oversight Over Utility Billing Process- Criteria: Internal controls should be in place that provide reasonable assurance that utility bills are being processed and recorded accurately. During their audit, it was noted that there is a lack of segregation of duties in the utility billing process. They also noted the same utility employee prepares, reviews, and prints the utility billing statements and is also responsible for processing cash receipts as customers pay their bills. The effect of this can potentially increase the risk for misappropriation of cash or unintentional error. The auditor recommends that the functions associated with the custody of assets be segregated from the functions associated with the utility billing process to the extent possible through staff assignments and secondary approvals.

2022-3- Segregation of Duties and Oversight of the Payroll Process: Criteria: Internal controls should be in place that provide reasonable assurance that employee's time is properly maintained, and payroll is being processed accurately. During their audit, they found that there is no documented review and approval of time entry edits made by the payroll clerk each pay period. Additionally, the results of their audit procedures identified missing and inaccurate time sheets for the payroll clerk. There were no procedures in place for the documented review and approval of time entry edits, as well as a digital record of approved time sheets each pay period. Due to the failure to require a documented review and approval of time entry edits, as well as a digital record of approved timesheets, employees with the access and ability to make time entry edits in the accounting system may make such changes without the approval or knowledge of management. Such changes can lead to material error and/or misappropriation. The auditors recommend procedures should be implemented requiring the documented review and approval (such as initial and date) of time entry edits by an employee not responsible for the function prior to the issuance of paychecks. Procedures should be implemented for the documented review of payroll reports and comparisons to the approved time sheets prior to the issuance of paychecks. All variances should be examined for possible error or misappropriation. Additionally, all approved time sheets and approved payroll reports should be scanned and maintained digitally each pay period.

2022-4 Purchase Order Approvals: Criteria: Internal controls should be in place that provide reasonable assurance that purchase orders have been approved by appropriate management personnel. During their testing of cash disbursements, they identified several purchase orders across the general and water funds that were lacking adequate approval signatures. No procedures were in place to require approval signature on the purchase order of another individual, such as the City Clerk, when the finance director is absent. Cash disbursements may be made in error or by misappropriation with an incomplete documentation trail. The auditors recommend procedures should be implemented for approving purchases while the finance director is absent by designating another individual within management as a backup approver. Such individual should not be the same as the check

signor for the cash disbursements. After the auditor presented his presentation and findings, the city council asked Director Crawford and Mr. Daniel various questions concerning the findings of the audit, the alleged theft of over \$11,500.00, human errors, payroll processes, rules and regulations, policies, disciplinary procedures, ect.

Mr. Watson with SBA (Small Business Administration) spoke before the city council regarding disaster loans.

Presiding Officer/Council Member Janet Edwards made a motion to take a 15-minute break. Council Member John Campbell seconded the motion. There was no discussion. A voice vote was taken with all members present in favor except Council Member Jean Leavell who opposed; the motion passed.

**EXECUTIVE SESSION 61.810**

Presiding Officer/Council Member Janet Edwards made a motion to enter into Executive Session per KRS 61.810(1)(f) regarding a discussion which might lead to the appointment, discipline, or dismissal of an individual employee. Council Member John Campbell seconded the motion. No discussion was held. A voice vote was taken with all members present in favor; the motion passed.

Council Member Jean Leavell made a motion to enter back into open session. Council Member John Campbell seconded the motion. No discussion was held. A voice vote was taken with all members present in favor; the motion passed.

Presiding Officer/Council Member Janet Edwards stated that no action was taken during the Executive Session.

Presiding Officer/Council Member Janet Edwards made a motion to table the remainder of the agenda until the next regular city council meeting. Presiding Officer/Council Member Janet Edwards amended the motion to suspend the rest of the agenda indefinitely. Council Member John Campbell seconded the motion. No discussion was held. A voice vote was taken with all members present in favor; the motion passed.

Presiding Officer/Council Member Janet Edwards made a motion to call a special council meeting with the time and date to be determined. Council Member Jean Leavell seconded the motion. There was no discussion. A voice vote was taken with all members present in favor; the motion passed.

**ADJOURNMENT**

Presiding Officer/Council Member Janet Edwards made a motion to adjourn the meeting. Council Member John Campbell seconded the motion. A voice vote was taken with all members present in favor; the motion passed. The meeting was adjourned at approximately 8:30 p.m.

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Presiding Officer/Council Member Janet Edwards  
City of Oak Grove

\_\_\_\_\_  
DATE

**ATTEST:**

\_\_\_\_\_  
Lorelynn Fisher, CMC  
City Clerk  
City of Oak Grove

\_\_\_\_\_  
DATE

DRAFT