



STATE OF TENNESSEE  
DEPARTMENT OF REVENUE  
ANDREW JACKSON STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37242

**MEMORANDUM**

TO: Tennessee County Clerks

FROM: Tom Bowman, Director, Internal Audit & Consulting Services (IACS)

DATE: May 23, 2018

SUBJECT: Physical Verification of License Plate Inventory

All,

The Comptroller of the Treasury, State Audit, issued a Sunset Performance Audit report on the Department of Revenue (Department) November 1, 2017. The report contained a finding stating the Department was unable to reconcile motor vehicle registration revenue collections to license plate and decal issuance records. In response to this finding, the Department's Corrective Action Plan (CAP) to the Comptroller includes audits of County Clerk Offices. The initial phase of our CAP will center primarily on the physical count and verification of license plate inventory held by all 95 of the State's Clerk's Offices including satellite locations.

The Department's IACS Section will soon begin the CAP remediation procedures relating to the physical verification of license plate inventory and plan to count at 100%. We will be contacting each Clerk Office directly for scheduling and logistics. It is our intent to be as quick and efficient as possible so as not to disrupt office operations. We anticipate the process will take several months to complete all locations so it may be some time before we get to your office.

Upon arriving, we will need each office to provide (from the TNclerk front end system) the **"Inventory Maintenance Report"** just prior to beginning the count and again immediately upon completion of our count. We will also need the **"201 Balance Report"** and the **"Renewal Balance Report"** immediately upon completion of the count. Please do not run these reports until requested by IACS auditors as the timing of these reports is a central component to our auditing procedures.

Should you have any questions, please contact Cynthia Vaughn – [Cynthia.Vaughn@tn.gov](mailto:Cynthia.Vaughn@tn.gov) - (615) 532-1842 or Mary Jackson-Vestal - [MaryAnn.Jackson@tn.gov](mailto:MaryAnn.Jackson@tn.gov) - (615) 532-6163.

We thank you in advance for your assistance in helping us complete this important engagement.

Sincerely,

*Thomas D. Bowman*

Thomas D. Bowman, CPA  
Director, IACS

CC: Tommy Sneed, Chief Compliance Officer