



State of Tennessee

Justin P. Wilson, State Comptroller

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Audit Finds Numerous Accounting Problems in Pickett County

Pickett County has numerous issues with accounting and bookkeeping practices that need to be addressed, a report by the Comptroller's Division of County Audit reveals.

The annual audit, which was released today, has 16 findings and recommendations for improving Pickett County government operations. Many of them address accounting practices that provide safeguards for collecting, recording, depositing and spending public funds. Auditors refer to these safeguards as internal controls.

For example, it is recommended that employees use separate cash drawers so that it is easier to detect cash shortages and who may be responsible for them. In Pickett County, multiple employees were using the same cash drawers in the offices of the trustee, county clerk, circuit and general sessions courts clerk and sheriff.

Also, best practices suggest that money-handling duties should be separated so no single employee handles all aspects of a transaction. Those duties were not adequately segregated in Pickett County's offices of the county executive, road superintendent, trustee, county clerk, circuit and general sessions court clerk, clerk and master, register and sheriff.

"It may not be readily apparent to someone without an accounting background how important those types of basic internal controls can be," Comptroller Justin P. Wilson said. "In audits where we have found fraud, quite often it is because too much trust has been placed in an employee's hands without adequate procedures to protect against unscrupulous behavior. It is also a concern to me that several of the findings in this year's Pickett County audit are repeat findings from previous years. I would encourage officials there to take steps necessary to correct all the issues our auditors have identified."

Other findings in the audit include:

- In three offices – the county executive, the road superintendent and the director of schools – expenditures exceeded appropriations. This means the offices did not stay within the spending limits authorized by the Pickett County Commission.

- The highway department had deficiencies in its purchasing procedures, including failure to issue purchase orders, payment of invoices without documentation that goods and services had been provided and failure to seek competitive bids for crushed stone, hot mix asphalt or tires.
- The general sessions judge required some defendants to make contributions to charitable or civic causes in addition to paying fines and costs, despite an attorney general's opinion that states such a practice is not allowed.

To view the complete audit, go to:

<http://www.comptroller1.state.tn.us/ca/CountyAudits.asp?C=69>

-30-

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