



Tennessee Comptroller of the Treasury

Justin P. Wilson, State Comptroller

October 1, 2014

Significant Problems Identified in Lake County Government

Lake County officials need to correct numerous issues highlighted in the Tennessee Comptroller's annual audit of local government.

Auditors reported 13 findings that should provide serious concern. Eight of these findings were also identified in last year's report.

Financial management problems include expenses exceeding budget appropriations, unreconciled accounts, and misclassification of expenditures. Additionally, audit adjustments totaling \$316,498 were required to make the financial statements of the General Fund materially correct at year-end.

Other findings include the County purchasing \$3,910 in auto repairs and maintenance from County Commissioner Charles Stewart's business, which violates the conflict of interest statute. Purchases from *Stewart's Garage* now total \$28,293 for 2008-2014. The county also purchased a lawn mower totaling \$12,335 without soliciting competitive bids. Furthermore, there were issues with travel reimbursements paid to the former director of schools.

Although the findings and recommendations were reviewed with county leaders, they did not provide responses for inclusion in the final report.

"I find it troubling when we find the same problems within a county year after year," said Comptroller Justin P. Wilson. "All of our audit reports include recommendations on how to correct weaknesses and deficiencies. County leaders and the Audit Committee are responsible for making the necessary changes."

To view the audit online, go to: <http://www.comptroller.tn.gov/la/>

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