



Justin P. Wilson, Comptroller

March 26, 2015

Houston County Audit Shows Continuing Problems

The Tennessee Comptroller's annual audit of Houston County government contains 13 findings describing weaknesses and deficiencies across several county offices. Seven of the findings also appeared in the previous year's audit and have not been corrected.

For the seventh year in a row, Houston County funds required material audit adjustments for financial statements to be materially correct at year-end. This year the adjustment totaled \$1,073,505 in the General Debt Service Fund. The recurring nature of this finding indicates that management is either unwilling or unable to address the deficiency.

The audit also revealed a \$4,453.33 cash shortage in the General Purpose School Fund. This shortage was caused by the actions of a former payroll clerk who issued herself extra checks, and failed to withhold the proper amount of money from her income as ordered by the U.S. Bankruptcy Court. The Board of Education has already recovered some of this amount. This finding has been reviewed with the district attorney general.

Other findings in the audit report include expenditures exceeding appropriations, accounting deficiencies, multiple employees operating from the same cash drawer in the County Clerk and Clerk and Master's Offices, and a failure to separate money handling responsibilities in several offices.

"More than half of the findings in this report were also highlighted in 2013," Comptroller Justin P. Wilson said. "I call on Houston County government leaders and its Audit Committee to address the financial practices, internal control and other noncompliance issues reported in this annual audit."

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

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