



**Justin P. Wilson, Comptroller**

October 5, 2015

## **Tennessee State Museum Audit Identifies Multiple Issues**

The Tennessee Comptroller's Division of State Audit has released its report on the Douglas Henry State Museum Commission, which includes the Tennessee State Museum. Auditors wrote seven findings, two of which were repeated from prior reports.

Auditors identified several problems and weaknesses within the Museum's operations. These include:

- One employee was hired who did not meet all of the position's job requirements.
- Museum employee background check procedures did not sufficiently mitigate risks.
- The Museum did not develop and implement adequate internal controls over employees' time and attendance.
- Deficiencies still exist in the Museum's purchasing reconciliation process.
- The Museum did not properly document approvals and authentication information before acquiring items for its collection.
- Water problems within the James K. Polk Cultural Center pose a threat to the Museum's artifacts.
- The Museum failed to safeguard alcoholic beverages that are used for receptions and stored on-site.

Auditors also noted issues with the Museum Commission's conflict-of-interest forms and adherence to quorum standards. Additionally, the Museum Commission's Audit Finance Committee did not create and submit a charter for approval to the Comptroller's Office until after auditors notified Museum officials of this requirement. The Audit Finance Committee had also not developed a fraud reporting process, or reviewed management's risk assessment.

"The Tennessee State Museum is empowered to preserve and exhibit some of Tennessee's most important historical artifacts," said Comptroller Justin P. Wilson. "It is vital that the Museum correct problems and follow its procedures to ensure the integrity of its operations and collections."

Auditors will present their findings at a meeting of the General Assembly's Judiciary and Government Joint Subcommittee of Government Operations on October 21. The meeting is scheduled to be begin at 9 a.m. in Legislative Plaza Room 12.

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

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