



State of Tennessee

Justin P. Wilson, State Comptroller

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Audit Uncovers Theft, Poor Bookkeeping Practices at Nolachuckey Elementary School

The former bookkeeper at Nolachuckey Elementary School in Greeneville stole at least \$2,484 from the school over a five-month period, an investigation by the Comptroller's Division of Municipal Audit has revealed.

Auditors shared their findings with the local district attorney general. Last month, the Greene County Grand Jury indicted the former bookkeeper, Buffi Gray, on one count of theft over \$1,000.

Gray was able to take the money in part because she controlled all aspects of financial transactions at the school, from the time money was received until it was spent or deposited in the bank. Good bookkeeping practices suggest that multiple people should be involved in processing transactions so a lone individual has less of an opportunity to steal.

The audit also found several other problems with the way financial transactions at the school were processed and recorded. For example, numerous payments to vendors were late and cash receipts and collection logs were missing. Also, Gray was able to issue checks with only her signature. Good financial practices call for multiple people to sign checks as a safeguard against waste, fraud or abuse.

"This case illustrates the importance of having good internal controls – that is, checks and balances that help ensure employees are doing what they're supposed to be doing," Comptroller Justin P. Wilson said. "Even seemingly small precautionary steps can be effective in preventing fraud."

To view the report online, go to:

http://www.comptroller.tn.gov/RA_MA_Financial/Report_Investigative.aspx

If you suspect fraud, waste or abuse of public funds in Tennessee, call the Comptroller's toll free hotline at 1-800-232-5454.

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