Jason E. Mumpower, Comptroller of the Treasury

March 21, 2023

Carter County Audit Details Poor Accounting Practices

The annual audit of Carter County government indicates significant weaknesses in the Office of the Finance Director.

The fiscal year 2022 audit includes a total of 11 findings, six of which outline deficiencies, areas of noncompliance, and material weaknesses in the finance department.

The county's financial statements were in such disarray that auditors had to perform numerous, time-consuming procedures to correct them. The failure to properly maintain accounting records results in a loss of budgetary and accounting control and increases the risk that errors will not be discovered and corrected in a timely manner.

Auditors also noted budget issues such as expenditures exceeding the appropriations approved by the county commission; a failure to maintain accurate capital asset records; and purchasing deficiencies.

Additionally, the audit report includes several findings in the Solid Waste department related to accounting functions, computer system backup procedures, and not reviewing software audit logs that identify changes and deletions by system users.

The audit discloses the Offices of the Solid Waste department and Director of Schools are currently being investigated. Findings, if any, will be included in a separate report.

"Carter County officials, commissioners, and the audit committee should carefully examine these findings and take the necessary corrective action," said Comptroller Mumpower. "Significant steps must be taken in the finance department in order to improve operations and accountability."

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