



**Justin P. Wilson, Comptroller**

March 15, 2018

## **Lake County Government Fails to Correct Problems**

The Tennessee Comptroller's Office continues to see many problems within Lake County government including several significant weaknesses, deficiencies, and areas of noncompliance.

Comptroller auditors have released Lake County's fiscal year 2017 audit which includes 10 findings spread throughout several county offices. Five of these problems were highlighted last year but have not been corrected. Lake County has had at least 10 findings in four of its last five annual audits.

Auditors had to make significant adjustments to the county's financial statements to ensure they were correct. They also noted problems such as expenditures exceeding appropriations, failing to reconcile accounts, and not separating money handling responsibilities in several offices.

The audit also reveals the Lake County Commission violated the county's leave policy when it paid a former employee \$7,465 for 21 weeks of unused vacation leave. Auditors informed the County Mayor that this action would violate the county policy stating, "Vacation time may not be accumulated and carried forward to the next year," but commissioners still approved this payment.

It was also discovered that Lake County's Road Superintendent did not subject certain employee wages to retirement withholdings and did not report those wages to the Tennessee Consolidated Retirement System. As a result, employees have not received the proper retirement credit, and the county could face penalties.

The Comptroller's Office recommends that Lake County adopt a centralized system of accounting, budgeting, and purchasing instead of allowing individual county departments to handle these processes separately. We believe this is a best practice to improve financial accountability and the quality of services provided to citizens.

"Year after year we see familiar problems and find new ones within Lake County," said Comptroller Justin P. Wilson. "While most counties are making progress to reduce and correct audit findings, Lake County's situation remains largely unchanged. I cannot force a county government to change, but I highly recommend action."

It should be noted that several offices within Lake County government did not have any findings in this year's audit report. These offices include the County Clerk, Trustee, Clerk and Master, Register of Deeds, Assessor of Property, and the Circuit, General Sessions, and Juvenile Courts Clerk.

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

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