

Audit Highlights

Comprehensive Annual Financial Report
Carroll County, Tennessee
For the Year Ended June 30, 2002

Scope

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Carroll County as of and for the year ended June 30, 2002.

Results

Our report on Carroll County's financial statements was qualified because the statements did not include a General Fixed Assets account group and did not include one Enterprise Fund, one Nonexpendable Trust Fund, and one component unit whose financial statements were not available as of the date of this report.

Our audit resulted in seven findings and recommendations, which we have reviewed with Carroll County management. Detailed findings, recommendations, and management's responses are included in the Single Audit Section of this report.

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE:

- ◆ Bid specifications were limited to a particular manufacturer for the purchase of a cargo van. Also, the office did not solicit competitive bids through newspaper advertisement for the purchase of computer hardware.

OFFICE OF HIGHWAY COMMISSION:

- ◆ The office had accounting deficiencies, including the failure to reconcile general ledger payroll liability accounts and the failure to file federal tax reports on time, resulting in the Internal Revenue Service imposing penalty charges.
- ◆ The Highway Department did not maintain a system to account for materials used on certain types of road projects.

OFFICE OF CIRCUIT COURT CLERK:

- ◆ An execution docket trial balance was not prepared for Circuit Court, as required by state statute.
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OTHER FINDINGS:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; Sheriff; and Director of Schools.
- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.