

Audit Highlights

Comprehensive Annual Financial Report
Grainger 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 Grainger County as of and for the year ended June 30, 2002.

Results

Our report on Grainger County's financial statements was qualified because the statements did not include a General Fixed Assets account group.

Our audit resulted in nine findings and recommendations, which we have reviewed with Grainger 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:

- ◆ A formal purchase order system had not been established.
- ◆ The list of county-owned assets was not updated regularly for all departments, and some equipment was not tagged as county property.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The office did not always document that goods had been received and services had been rendered before invoices were paid.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:

- ◆ Undisbursed child support balances were not detailed on the trial balance of execution dockets.

OTHER FINDINGS:

- ◆ The budget for the 2002-03 fiscal year was not published in a local newspaper prior to its adoption by the County Commission in accordance with state statutes.
- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ At June 30, 2002, the Solid Waste Disposal Fund had a retained earnings deficit of \$2,047,911, an increase of \$51,761 from the deficit at June 30, 2001.