

Audit Highlights

Comprehensive Annual Financial Report
Overton County, Tennessee
For the Year Ended June 30, 2003

Scope

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Overton County as of and for the year ended June 30, 2003.

Results

Our report on Overton County's financial statements was qualified because the statements did not include a General Fixed Assets account group and did not include certain component units whose financial statements were not available at the date of this report.

Our audit resulted in 14 findings and recommendations, which we have reviewed with Overton County management. Detailed findings and recommendations are included in the Single Audit Section of this report.

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE:

- ◆ Several deficiencies were noted in cash collection procedures in the solid waste disposal program. Duties were not adequately segregated. Collections at the transfer station were not deposited with the trustee within three days of collection. Also, funds collected were not reconciled with amounts deposited with the county trustee.
- ◆ Purchase orders were not issued in some required instances, and in other instances, purchase orders were issued after the purchases were made. Also, some purchase orders were issued without the purchasing agent's signature.
- ◆ The county maintained inventory records; however, the inventory records did not adequately identify all items. Also, an inventory was not maintained for ambulances and equipment. Furthermore, the lists were not verified by personnel independent of preparing the inventory.
- ◆ The solid waste software did not have adequate application controls.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The School Federal Projects Fund had a cash overdraft of \$13,722 at June 30, 2003.
 - ◆ Although the School Department had lists of its assets, the lists were not verified by personnel independent of preparing the inventory.
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OFFICE OF COUNTY CLERK:

- ◆ The county clerk did not require his depository to adequately collateralize funds that exceeded FDIC coverage. Funds on deposit exceeded FDIC coverage by \$40,836 at June 30, 2003.
 - ◆ Funds were not deposited intact within three days of collection.
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OFFICE OF GENERAL SESSIONS COURT CLERK:

- ◆ The office did not issue receipts to individuals for traffic school payments.
 - ◆ Funds were not deposited intact within three days of collection.
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OFFICE OF SHERIFF:

- ◆ The office did not complete the forms required to document cash transactions for confidential funds. Also, the forms documenting drug buys and payments to confidential informants were not signed by two officers.
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OTHER FINDINGS:

- ◆ 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 County Executive, Director of Accounts and Budgets, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ Sheriff's Office employees did not include all of their hours worked on the time sheets submitted to the county for payment.

*State of Tennessee
Comptroller of the Treasury
Department of Audit
Division of County Audit*