

# ***Audit Highlights***

Annual Financial Report  
Union County, Tennessee  
For the Year Ended June 30, 2004

## ***Scope***

We have audited the financial statements of each major fund and the aggregate remaining fund information of Union County as of and for the year ended June 30, 2004.

## ***Results***

Our report on Union County's financial statements expresses an adverse opinion because government-wide financial statements are not presented in accordance with Governmental Accounting Standards Board Statement No. 34.

Our audit resulted in ten findings and recommendations, which we have reviewed with Union County's management. Detailed findings and recommendations are included in the Single Audit Report.

The following are summaries of the audit findings:

### **UNION COUNTY:**

- ◆ Government-wide financial statements were not presented in accordance with generally accepted accounting principles, resulting in an adverse opinion.
- 

### **OFFICE OF COUNTY MAYOR:**

- ◆ Expenditures exceeded appropriations in several major category levels of the General Fund.
  - ◆ The County Mayor's Office had not established a formal purchase order system.
  - ◆ The payroll deduction bank account was not reconciled on a monthly basis.
- 

### **OFFICE OF HIGHWAY SUPERINTENDENT:**

- ◆ The Highway Department had not established a formal purchase order system.
  - ◆ The county road list did not indicate the surface type, length, and width of each road and did not include a summary of changes from the prior year.
  - ◆ Records did not adequately document the use of consumable supplies or the daily work the department performed.
  - ◆ The department had internal control weaknesses in maintaining time and leave records.
-

**OTHER FINDINGS:**

- ◆ 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.
- ◆ A central system of accounting, budgeting, and purchasing had not been adopted.