

# *Audit Highlights*

Comprehensive Annual Financial Report  
Coffee County, Tennessee  
For the Year Ended June 30, 2001

## *Scope*

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Coffee County as of and for the year ended June 30, 2001.

## *Results*

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

Our audit resulted in 13 findings and recommendations, which we have reviewed with Coffee 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 SHERIFF:**

- ◆ The office had a cash shortage of \$16,729.41 at June 30, 2001. This cash shortage resulted from the office's failure to deposit or otherwise account for inmate and commissary account collections.
- ◆ The office had deficiencies in the operations of the inmate and commissary account. These deficiencies were related to depositing funds, maintaining accounting records, remitting commissions to the county, posting inmate refund checks to the inmate account balances, and failing to use official duplicate deposit slips.
- ◆ The office had deficiencies in its administration of drug control funds. Confidential funds of \$20,700 were used to pay nonconfidential expenditures, payments to informants were not always witnessed by a second officer, and several required forms were not completed.

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

- ◆ The Highway Department had not established a formal purchase order system. Invoices were paid without documentation that goods had been received and/or services had been rendered. Invoices were paid without noting on the invoice that payment had been made.
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## **OFFICE OF COUNTY CLERK:**

- ◆ The general ledger software did not have adequate application controls. Prior to their posting to the general ledger, automated financial transactions could be changed, and an audit trail of these changes would not be maintained.
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## **OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK:**

- ◆ Users could reset the receipt numbers. This lack of application control could allow inappropriate system activity.
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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.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Highway Superintendent, Director of Schools, Trustee, County Clerk, Clerk and Master, Register, and Sheriff.
- ◆ County officials had not held a delinquent property tax sale in recent years.
- ◆ The county's practice of paying School Department workers' compensation insurance premiums from the General Fund is of questionable legality.
- ◆ A portion of sales taxes collected outside municipalities was not apportioned with city school systems.
- ◆ Purchases for the Highway Department were not made in compliance with the County Purchasing Law of 1957.

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