

Audit Highlights

Comprehensive Annual Financial Report
Morgan 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 Morgan County as of and for the year ended June 30, 2001.

Results

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

Our audit resulted in eight findings and recommendations, which we have reviewed with Morgan 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 DIRECTOR OF FINANCE:

- ◆ The office had internal control weaknesses in maintaining employees' time records.
 - ◆ Payroll deduction accounts were not reconciled with supporting payroll records monthly.
 - ◆ Duties were not segregated adequately among office employees.
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OFFICE OF ROAD SUPERINTENDENT:

- ◆ The equipment inventory list did not include all equipment.
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OFFICE OF SHERIFF:

- ◆ The office had a cash shortage of \$532.75 as of January 8, 2001.
 - ◆ The office had accounting deficiencies.
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OTHER FINDINGS:

- ◆ The county and the discretely presented School Department did not inventory, value, and record their 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.

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