

Audit Highlights

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

Results

Our report on Stewart 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 13 findings and recommendations, which we have reviewed with Stewart 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:

- ◆ Competitive bids were not solicited for the purchase of two patrol cars.
- ◆ The General Fund's actual fund balance was \$559,314 more than the estimated fund balance presented to the County Commission.
- ◆ The office did not have formal policies and procedures for computer operations, such as system startup/shutdown, application access, system access security, and other functions.
- ◆ Computer system backups were not stored off site.

OFFICE OF COUNTY ENGINEER:

- ◆ Descriptions and dollar amounts of purchases were not listed on purchase orders until the invoices were received from the vendors.
- ◆ The county engineer did not submit a list of county roads to the County Commission for approval, as required by state statute.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ In some instances, purchase orders were issued after purchases were made. In other instances, dollar amounts on purchase orders were completed after receipt of the invoices. Also, purchase orders occasionally were not dated.

- ◆ The Food Service Department did not monitor inventory records of consumable assets stored at the service provider's site.
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OFFICE OF ASSESSOR OF PROPERTY:

- ◆ Assessment records were changed during the year as property transfers were made.
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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.
- ◆ Cash collections of the Ambulance Service were not reconciled monthly with collections remitted to the trustee.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.

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