

Audit Highlights

Comprehensive Annual Financial Report
Bedford County, Tennessee
For the Year Ended June 30, 2002

Scope

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Bedford County as of and for the year ended June 30, 2002.

Results

Our report on Bedford County's financial statements was qualified because the statements did not include a General Fixed Assets Account Group.

Our audit resulted in ten findings and recommendations, which we have reviewed with Bedford 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:

- ◆ Expenditures exceeded appropriations in several major categories, and budget amendments were not always approved by the County Commission.
- ◆ The office did not issue purchase orders in some instances and paid several invoices without documentation that goods had been received or services had been rendered.
- ◆ Employees' time sheets were not always signed by supervisors, documentation was not always on file to support changes in employees' compensation rates, and general ledger payroll deduction accounts were not reconciled with subsidiary records currently.
- ◆ The county's agriculture education center did not operate as a department within the General Fund, and all revenues and expenditures related to its operation were not subject to budgetary control of the county legislative body, as required by state statute.
- ◆ The office paid expenditures for some state agencies that should have been channeled through the state's accounting system.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Assets were not always tagged or clearly marked as property of the School Department. Also, the central office inventory had not been updated.

OFFICE OF SOLID WASTE AUTHORITY:

- ◆ At the monitoring office, accounts payable totaling \$15,000 were not included on the records, year-end closing entries were not posted to the records, and two checks issued were not prenumbered.
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OTHER FINDINGS:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
- ◆ 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.

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