

Audit Highlights

Comprehensive Annual Financial Report
Bledsoe 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 Bledsoe County as of and for the year ended June 30, 2002.

Results

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

Our audit resulted in 12 findings and recommendations, which we have reviewed with Bledsoe 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 COUNTY EXECUTIVE:

- ◆ Expenditures exceeded appropriations approved by the County Commission in the General Fund (\$2,560) and in 15 major appropriation categories of the General Fund. Also, salaries exceeded line-item appropriations in the General Fund by a total of \$143,845.
- ◆ Purchase orders were not issued for some purchases, the office incurred late fees and penalties in several instances for failing to pay invoices promptly and file reports on time, and the receipt of goods and services was not documented in some instances.
- ◆ The County Executive's Office did not reconcile fund cash balances with the trustee's cash balances, as required by state statute.
- ◆ A Report on Debt Obligations was not filed with the state director of Local Finance, as required by state statute.
- ◆ A revenue anticipation note was not retired by June 30, as required by state statute.
- ◆ Accounting records were not properly maintained for funds administered by the County Executive's Office.
- ◆ Work and leave records were not maintained for employees, and an employee was paid in violation of the office's personnel policies.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Assets were not labeled as property of the School Department and were not verified by personnel independent of maintaining the inventory records.

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 County Executive; Highway Superintendent; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
- ◆ The general sessions judge also served as county attorney, contrary to opinions issued by the state attorney general.