

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations as a result of our examination are presented below. We have reviewed these findings and recommendations with management to provide an opportunity for their response. Management did not offer written responses to the findings and recommendations. Officials did offer oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF TRUSTEE

FINDING 02.01 **THE OFFICE DID NOT FULLY USE ITS AUTOMATED ACCOUNTING SYSTEM**
(Internal Control – Reportable Condition Under Government Auditing Standards)

The Office of Trustee did not fully use its automated accounting system to maintain financial information. Although the office used the automated system to perform all receipting and warrant reconciliation functions, the system was not used to maintain the cash journal or generate financial statements for the office. The automated cash journal capabilities were installed, and the office paid a maintenance charge for these capabilities.

RECOMMENDATION

Management should use the automated cash journal functions to generate the office's financial statements.

OFFICE OF SHERIFF

FINDING 02.02 **THE SHERIFF'S OFFICE HAD DEFICIENCIES IN BOOKING PROCEDURES**
(Noncompliance Under Government Auditing Standards)

The office did not maintain adequate records to document that all arrestees were fingerprinted and that two sets of these fingerprints were filed with the Tennessee Bureau of Investigation (TBI), as required by Section 8-4-115, Tennessee Code Annotated. In several instances, no notation was made on the fingerprint log that the fingerprints had been forwarded to the TBI. In a few other instances, no documentation could be located to indicate that fingerprints had been taken for some arrestees.

RECOMMENDATION

The Sheriff's Office should document that all arrestees are fingerprinted and that all fingerprints are filed with the TBI.

OTHER FINDINGS AND RECOMMENDATIONS

**FINDING 02.03 RECORDS WERE NOT MAINTAINED FOR GENERAL FIXED ASSETS
(Internal Control – Material Weakness Under Government Auditing Standards)**

Campbell County did not inventory, value, and record its general fixed assets (buildings, equipment, etc.), as required by generally accepted accounting principles. The Governmental Accounting Standards Board has adopted Statement 34, which will become effective in Campbell County for the year ending June 30, 2003. Statement 34 places an even greater emphasis on the need to maintain general fixed asset records.

RECOMMENDATION

Campbell County should inventory, value, and record its general fixed assets in accordance with generally accepted accounting principles.

**FINDING 02.04 DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF TRUSTEE, COUNTY CLERK, CLERK AND MASTER, AND REGISTER
(Internal Control – Reportable Condition Under Government Auditing Standards)**

Duties were not segregated adequately among officials and employees in the Offices of Trustee, County Clerk, Clerk and Master, and Register. Officials and employees responsible for maintaining the accounting records in these offices were also involved in receipting, depositing, and/or disbursing funds. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.