

Audit Highlights

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

Results

Our report on Carter 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 nine findings and recommendations, which we have reviewed with Carter 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:

OFFICES OF COUNTY EXECUTIVE AND ASSESSOR OF PROPERTY:

- ◆ Discrepancies in travel payments to an employee of the Assessor of Property's Office resulted in a cash shortage of \$1,200. Also, the employee did not file a doctor's certificate for extended leave, as required by the county's personnel policies.

OFFICE OF COUNTY EXECUTIVE:

- ◆ The two county-operated convenience centers only issued receipts for collections at customers' requests, violating the state statute requiring receipts for all collections.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The department had various deficiencies in purchasing procedures relating to awarding bids and soliciting bids for the purchase of two trucks, playground equipment, tires, and a copy machine.

OFFICE OF TRUSTEE:

- ◆ The office's depository deducted warrants from the office's bank account before the bank presented the warrants to the trustee for payment, violating a state statute.
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OFFICE OF COUNTY CLERK:

- ◆ The daily cash book did not reference the receipt numbers for miscellaneous collections, receipts for miscellaneous collections did not reflect the method of payment, and weaknesses were noted in controls over daily renewal and title application forms.
 - ◆ The clerk did not determine if delinquent businesses filed tax returns and did not issue distress warrants to collect delinquent business taxes, as required by state statute.
 - ◆ The clerk did not post receipts and disbursements to the probate execution docket, as required by state statute.
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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.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Clerk and Master, Register, and Sheriff.

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