

# ***Audit Highlights***

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

## ***Results***

Our report on Dyer County's financial statements was qualified because the statements did not include a General Fixed Assets account group and because a recent actuarial valuation had not been performed and current-year contribution information had not been presented for the Travelers Insurance Retirement Plan.

Our audit resulted in nine findings and recommendations, which we have reviewed with Dyer 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:**

- ◆ The Self-Insurance fund had a retained earnings deficit of \$61,622 at June 30, 2002.
  - ◆ A report on debt obligations was not filed with the state director of Local Finance.
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### **OFFICE OF ROAD SUPERVISOR:**

- ◆ The office did not store computer system backups off site.
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### **OFFICE OF DIRECTOR OF SCHOOLS:**

- ◆ The Dyer County High School cafeteria manager did not deposit certain funds of the cafeteria, resulting in a cash shortage of \$3,504.46. Also, cafeteria funds were not deposited within three days of collection, as required by state statute, and duties were not adequately segregated at the high school cafeteria.
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### **OFFICE OF REGISTER:**

- ◆ Individuals who were not office employees, such as title searchers and attorneys, had unsupervised access to the office after business hours.
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## **OFFICE OF SHERIFF:**

- ◆ The office had accounting and internal control deficiencies. Funds were not deposited within three days of collection, as required by state statute, and the cash journal was not maintained adequately.
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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.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Circuit and General Sessions Courts Clerk, Clerk and Master, and Sheriff.