

Audit Highlights

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

Results

Our report on Fentress County's financial statements was qualified because the statements did not include a General Fixed Assets account group.

Our audit resulted in 12 findings and recommendations, which we have reviewed with Fentress 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 office did not maintain adequate inventory records and controls over assets.
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OFFICE OF HIGHWAY SUPERINTENDENT:

- ◆ Purchase orders were not issued properly in all applicable instances, and some invoices were paid without documentation that goods and services were received.
 - ◆ The office did not maintain adequate inventory records and controls over assets.
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OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The School Department allowed a construction manager to enter into contracts that obligated the School Department and allowed this construction manager to make payments to subcontractors on the county's behalf. Furthermore, the construction manager was not required to provide sufficient documentation for disbursements to subcontractors, and the accounting records did not reflect all obligations, as required by generally accepted accounting principles.
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OFFICE OF TRUSTEE:

- ◆ The trustee did not require depositories to pledge sufficient collateral to protect county funds, as required by state statute.
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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:

- ◆ Bank statements for General Sessions Court were not reconciled with cash journal accounts.
 - ◆ The Office of Circuit and General Sessions Courts had deficiencies in receipting and depositing collections.
 - ◆ The execution docket for General Sessions Court did not reconcile with cash journal accounts.
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OTHER FINDINGS:

- ◆ Questionable practices surround the purchase of a used fire truck from the county's agent.
- ◆ 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 in the Offices of County Executive, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.