

Audit Highlights

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

Results

Our report on Madison County's financial statements was qualified because the statements did not include a general fixed assets account group and did not include the required note disclosures for the City of Jackson Teacher Retirement Plan.

Our audit resulted in 11 findings and recommendations, which we have reviewed with Madison 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 HIGHWAY ENGINEER:

- ◆ The Highway Department did not solicit competitive bids for all applicable purchases.
- ◆ The department did not maintain records of maintenance and repair work performed on department vehicles.
- ◆ The department did not have a system to account for road materials used for certain types of road projects.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Expenditures exceeded appropriations in numerous employees' salary line items of the General Purpose School Fund.
- ◆ The School Employee Insurance Fund had a retained earnings deficit of \$804,673.
- ◆ Receivables and payables were not properly recorded in the General Purpose School and School Federal Projects Funds.

OFFICE OF JUVENILE COURT CLERK:

- ◆ An execution docket trial balance was not prepared for Juvenile Court, as required by state statute.
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OFFICE OF CLERK AND MASTER:

- ◆ The clerk and master received payment for a week of vacation without adequate documentation, resulting in a cash shortage of \$1,159.
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OTHER FINDINGS:

- ◆ Several former county officials claimed credit for unused sick leave toward their retirement. The Tennessee Consolidated Retirement System does not allow county officials to apply accrued sick leave to their retirement.
- ◆ 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 and budgeting.