

Audit Highlights

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

Results

Our report on Marshall County's financial statements was qualified because the statements did not include a General Fixed Assets Account Group.

Our audit resulted in nine findings and recommendations, which we have reviewed with Marshall 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 SUPERINTENDENT:

- ◆ The office did not obtain prior approval from the director of accounts and budgets for purchases exceeding \$200, as required by Chapter 69, Private Acts of 1965.
 - ◆ Employees received longevity pay and Christmas bonuses that were not provided for in the department's personnel policies and procedures manual.
 - ◆ Competitive bids were not solicited for the purchase of hot mix totaling \$99,831, as required by state statute.
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OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The School Department did not accept the lowest bid for construction projects and solicited bids for the purchase of a telephone system using bid specifications for a specific brand.
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OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK:

- ◆ The circuit and general sessions courts clerk prepared execution docket trial balances as of June 30, 2002; however, these trial balances did not reconcile with cash journal accounts by \$7,252 in Circuit Court and by \$3,104 in General Sessions Court.
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OTHER FINDINGS:

- ◆ Contracts with county commissioners violated the conflict of interest statute.
- ◆ Duties were not segregated adequately among the officials and employees in the Ambulance Service; Board of Public Utilities; and the Offices of Trustee; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Sheriff.
- ◆ County officials had not adopted a central system of purchasing.
- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.

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