

Audit Highlights

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

Results

Our report on Obion County's financial statements was qualified because the statements did not include a General Fixed Assets account group or two Special Revenue Funds and one component unit whose financial statements were not available at the date of this report.

Our audit resulted in 12 findings and recommendations, which we have reviewed with Obion County management. Detailed findings and recommendations are included in the Single Audit Section of this report.

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE:

- ◆ The office used a signature stamp to affix the county executive's signature on computer-generated disbursement warrants. However, state statutes do not provide authority for county offices and departments to use a signature stamp in place of an individual's actual signature.

OFFICE OF HIGHWAY SUPERINTENDENT:

- ◆ The Highway Department did not have a system to account for materials used on certain types of road projects.

OFFICE OF TRUSTEE:

- ◆ The office did not have a disaster recovery plan to assist in re-creating its data processing environment in the event of a disaster.
 - ◆ The office did not develop written policies and procedures for routine computer operations, such as system startup/shutdown, application access, system access security, and other functions.
 - ◆ The office did not store computer system backups off site.
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OFFICE OF JUVENILE COURT CLERK:

- ◆ The Office of Juvenile Court Clerk did not properly maintain execution dockets. Receipts and disbursements were not posted to the execution dockets, as required by state statute.
 - ◆ The cash journal for Juvenile Court contained numerous posting errors pertaining to investment transactions, and as a result, did not accurately reflect the court's investment activities.
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OFFICE OF SHERIFF:

- ◆ The sheriff did not obtain a letter of agreement or file suit in Circuit Court to authorize the number and salaries of the department's deputies.
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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 Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, Juvenile Court Clerk, Register, and Sheriff.
- ◆ County officials had not held a delinquent property tax sale in recent years. Uncollected delinquent property taxes totaling \$259,289 were on file in Chancery Court as of June 30, 2002.