

Audit Highlights

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

Results

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

Our audit resulted in ten findings and recommendations, which we have reviewed with Tipton 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:

- ◆ Purchase orders were not always issued.
 - ◆ Inventory records were not updated in the past year, and some assets were not tagged or clearly marked as county property.
-

OFFICE OF DIRECTOR OF PUBLIC WORKS:

- ◆ The office had deficiencies in the use of credit cards. A formal policy had not been adopted, and personal items were purchased with the county's credit card.
 - ◆ The office had inadequate controls over inventory. Office personnel could not locate two items on the inventory.
-

OFFICE OF TRUSTEE:

- ◆ An employee illegally diverted office funds for personal use. This employee resigned and repaid the funds to the office bank account. She later pled guilty to theft over \$1,000 and received two years of probation.
-

OFFICE OF SHERIFF:

- ◆ Duties were not segregated adequately among employees.
 - ◆ The office did not deposit funds within three days of collection.
 - ◆ The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.
-

OTHER FINDINGS:

- ◆ County officials had not adopted a central system of accounting, budgeting, and 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*